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NEWS SUMMARY

GENERAL

Thorpe given trial delay

The Old Bailey trial of former Liberal leader Jeremy Thorpe has been put back eight days so that Mr. Thorpe can defend North Devon in the General Election.

Mr. Thorpe's trial on charges of conspiracy to murder and incitement to murder will now start on May 8, five days after the election, instead of April 30.

Lord Widgery, the Lord Chief Justice, said this would "prevent Mr. Thorpe suffering a dual trial."

Print case lost

The National Graphical Association has lost its appeal against an order forcing it to lift a blacking campaign against advertisers using the Nottingham Evening Post. Lord Denning, Master of the Rolls, said the union had no right to use industrial strength "to invade the freedom of the Press." Back Page

Airport bombing

West Germany fears a fresh outbreak of bombings following a blast at Frankfurt's regional airport in which ten Lufthansa employees were injured, three seriously.

N-risk reduced

Scientists at the crippled nuclear reactor on Three Mile Island in Pennsylvania said the situation had improved to the point where it was now unlikely a mass evacuation would be needed. Page 4

Terror sentence

James Boslem, 31, a member of the Ulster Volunteer Force, was jailed for 12 years in Edinburgh for collecting 18 sticks of gelignite to be used in acts of terrorism.

Giscard warned

Jacques Chirac, leader of the Gaullist RPR party on which President Giscard depends for his party's parliamentary majority, says the President will lose his re-election campaign in two years unless he changes economic and foreign policies. Page 3

Bhutto raids

Pakistan police raided the three homes of condemned former Premier Bhutto and took away what they called "secret documents pertaining to State security." The raids came amid growing speculation that the hanging of Mr. Bhutto is imminent. Page 4

Police chief vote

Sir Kenneth Newman, Ulster's Chief Constable, may have to resign if he loses a vote of confidence at a meeting of the Northern Ireland Police Authority on Friday. Some police surgeons are threatening to leave over Sir Kenneth's refusal to accept allegations of police brutality at interrogation centres.

Border date

Egypt and Israel will open their Sinai Desert border on May 27. The move was announced by Israel's Premier Begin after talks with President Sadat of Egypt. Page 4

Briefly . . .

Tanks and troops moved into Gonbad Kavus, north-east Iran, to quell sectarian fighting. Page 4

China will not renew its 30-year friendship treaty with the Soviet Union next year. Page 4

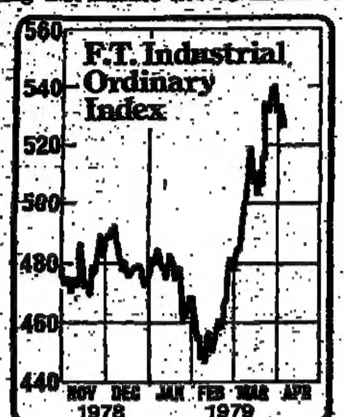
British Rail plans to run 550 extra trains over Easter.

Impressionists sale at Christie's realised more than £1.3m. Saleroom, Page 7

BUSINESS

Equities off 6.9; Gilts easier

● EQUITIES sustained light profit-taking from holders showing last-minute nerves ahead of the Budget and the FT Ordinary Industrial index fell 6.9 to close at 525.3, the day's lowest.



● GILTS were unreceptive to selling and, after abortive attempts to rally, settled ¼ down at the day's lowest. The Government Securities Index closed 0.47 down at 75.21.

● STERLING fell 15 points to close at $2.0660. Its trade-weighted index eased to 66.4 from 66.5 and the dollar's index was 85.4 per cent (85.2).

● GOLD rose $1 to $240¼.

● WALL STREET rallied 7.10 to 862.35 at mid-session in active dealings.

● TURNOVER in equities on the Stock Exchange more than doubled last month to a record of £3.74bn. Page 30

● LONDON Metal Exchange is to launch a nickel futures market later this month, in spite of strong opposition from producers. Page 29

● STOCK EXCHANGE Council has given the go-ahead for Talisman, the new settlement system, to go live from next Monday. Page 7

● IATA, meeting in Geneva, agreed a 5-7 per cent increase in all passenger and cargo rates in most areas of the world from May 1, to combat the continuing rise in aviation fuel costs. Back Page

● EEC Foreign Ministers Council has decided to postpone until after the UK General Election further moves on limiting national aid to steel producers. Page 2

● RENAULT of France overtook Datsun of Japan in the first quarter of this year to become the most successful of the "traditional" car importers in the UK. Page 7

● ROLLS-ROYCE aero engines are to receive more Government aid worth £14m, the Industry Minister announced. Page 8

● BRITISH AIRWAYS is to receive "at minimal cost" one of the two unsold Concordes off the UK assembly line, bringing its fleet to six aircraft. Page 7

● JAPAN'S future as the world's leading shipbuilding nation could be in doubt because of the growth of shipbuilding in the developing world and protectionist tendencies in the West, according to the annual report of Lloyd's Register of Shipping. Back Page

COMPANIES

● BETON-UND-MONIERBAU, the West German construction company, is to file for bankruptcy following the disclosure of an estimated 1978 operating loss of DM30m (£7.7m). Page 25

● BANK OF SCOTLAND raised pre-tax profit by £5.3m to £34.3m in the year to February 28. Page 20 and Lex

● SAVOY HOTEL reports pre-tax profits down from £2.69m to £1.11m for 1978. Page 21

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:			Bowater	192	− 4
Bambers	250	+ 12	British Land	71	− 3
Gates (F. G.)	60	+ 4	Brown (J.)	535	− 10
Hunting Gibson	167	+ 14	GEC	406	− 6
Low & Bonar	210	+ 8	Glaxo	583	− 7
Magnolia	215	+ 20	Harris Queensway	232	− 20
Man. Agency & Music	153	+ 5	HK Shanghai	149	− 8
Norfolk Cap.	54	+ 3	Jardine Mattheson	139	− 8
North (M. F.)	48	+ 3	Law Land	73	− 5½
Ofrex	142	+ 7	Martin (R. P.)	50	− 13
Ultra	153	+ 6	Mersey Docks	23	− 6
London Sumatra	270	+ 10	Northern Foods	118	− 6
FALLS:			Ransomes Sims	170	− 6
Treas. 12% '83 A.	£103½	− ⅜	Reckitt & Colman	507	− 13
Funding 5¼% '87/91	70½	− ½	Smurfit (Jeffersn.)	175	− 11
Abercom	108	− 7	Sun Alliance	571	− 9
BATS Defd.	304	− 4	Utd. Scientific	251	− 7
BSR	65	− 4	Cons. Gold Fields	219	− 5
Beecham	710	− 10	Randfontien	£25½	− ⅞
Black & Edgington	90	− 10	Stilfontien	332	− 15
			Tanks	183	− 7
			Union Miniere	£16½	− 1¼

Moves to reduce overseas debt announced with 'caretaker Budget'

Britain may repay $5bn this year

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN may repay more than $5bn (£2.44bn)—out of $24bn—of her official overseas borrowings this year. This will help substantially to reduce the hump of debt repayment in the early 1980s, though the impact will be partially offset by raising of new medium-term loans.

This was disclosed yesterday by Mr. Denis Healey, Chancellor of the Exchequer, during his "caretaker Budget" speech in the Commons.

No policy changes were announced. The aim was to leave as much freedom of manoeuvre as possible for a new Government after the election.

Mr. Healey did, however, use the opportunity to stress the strength of Britain's external position and to announce further large-scale repayment of overseas debt well before the scheduled dates.

This includes a further $1bn due to the International Monetary Fund, as well as firm plans for prepayment of $500m of market debt and authorisation for prepayment of up to $1bn more of market debt.

This is apart from $2.7bn of borrowings repayment which has already been arranged, or which anyway matures this year.

This announcement was preceded by disclosure of an underlying inflow of foreign currency of $1.017bn in February, the biggest rise since October 1977, when $3bn came in just before the Government stopped holding down the exchange rate.

The big inflow in March, mainly in the last ten days, was largely the result of the Bank of England's intervention to check the rise in sterling. Nevertheless the trade-weighted index of the pound's value against a basket of other currencies rose by 2.8 per cent in the month.

The renewed demand for sterling has reflected both the high level of interest rates relative to those abroad, and the market's view of the UK's favourable position, because of North Sea Gas, in the face of rising prices.

However, the pressures have highlighted the authorities' dilemma as to how to reconcile adherance to their monetary target a stable exchange rate, a cut in inflation and preservation of the competitive position of British goods.

Inflows of the size of that in March are bound to boost growth of the money supply. Consequently even though the pressures are so far on nothing like the scale of 1977, there is growing discomfort in the Treasury and the Bank of England.

No significant response such as easing of exchange controls will be considered until after the election, and Minimum Lending Rate was left unchanged in spite of market speculation.

In his speech, Mr. Healey said the "monetary authorities would continue to act during the coming month to keep the underlying growth of sterling M3 within the target range."

He announced continuation of the so-called corset controls on the banks' operations for a *further three months after mid-*June. This is a technical roll-over to allow scope for a full review by a new government.

Mr. Healey said that while the outcome for the year to mid-April would not be known for six weeks, the indications were that the growth of sterling M3 had been in the middle of the 8 to 12 per cent target range.

In respect of the present 8 to 12 per cent target for the year to mid-October, he said the outcome for the first six months should be "close to the top of the range."

While not announcing a new target for 1979-80, he hinted at his preference for maintaining the present range because of concern not to finance higher pay deals, nor to depress the economy.

The other effect of the strong underlying inflow of currency is a rise in the official reserves, even after allowing for debt repayment.

In March the total increased by $837m to $17.45bn. However,

Continued on Back Page
Editorial comment, Page 18
Lex, Back Page

Both parties hint at more cuts in tax

BY RICHARD EVANS, LOBBY EDITOR

MR. DENIS HEALEY, Chancellor of the Exchequer, and Sir Geoffrey Howe, the Shadow Chancellor, gave clear hints yesterday that cuts in direct taxation would feature in any Budget to be presented after the General Election.

Mr. Healey, in notably restrained mood during the debate on the agreed Finance Bill extending the collection of taxes beyond the election, said *he had intended to raise income* tax thresholds by more than the increase in inflation.

Sir Geoffrey, who is considered virtually certain to be made Chancellor in a Conservative Government, went much further in his stated determination to cut direct taxes by a substantial amount, but he declined to be specific.

It was essentially shadow-boxing by the two economic spokesmen ahead of a campaign in which the Government's handling of the economy and the implications of the Tory alternative are bound to feature prominently.

The occasion, a notably low-key one in comparison with the sense of drama in a normal Budget, was played deliberately neutrally by the Chancellor. To the surprise of MPs he made little attempt to score party political points.

The most contentious part of his speech was probably the highlighting of the Common Market issue, particularly the "heavy burden" placed on Britain by the net contribution to the EEC. "This is something we are determined to correct in future," he said.

The only hint he gave of future tax changes under a Labour Government was his reference to the indexation of tax allowances under the Rooker-Wise amendment incorporated into last year's Finance Act.

"If I had been able to introduce a normal Budget, I would have proposed an increase in income tax thresholds higher than envisaged in the Act," he said.

Mr. Healey had also planned a further increase in child benefit from November, but the scale of the rise had yet to be determined.

More generally, he admitted that the country still faced two major domestic economic problems.

The first was the sluggish response of manufacturing industry to increases in demand, and as manufacturing output had risen by less than 1 per cent in 1978, so imports had inevitably gained a greater share of the UK market.

The second difficulty was wage inflation. He believed there was now a good chance of achieving an out-turn of about 13 per cent, a little less than in the last round.

Any increase above the Government's guidelines was bound to raise prices and damage competitiveness, although by sticking to its fiscal and monetary policies the Government had sought to limit the dangers.

Sir Geoffrey, in contrast, was much more forthcoming about his determination to increase personal incentives. He argued that the country needed a fundamental change of course if the damage done by the Government's handling of the economy was to be repaired.

Details, Pages 10 and 11
Scots poll boost for Labour and Conservatives form policy, Back Page

PROPOSED CHANGES IN PERSONAL INCOME TAX ALLOWANCES

Implementation after August 1, though subject to change after the election

	1978/79 £	for 1979/80 £	Increase £
Single person's allowance and wife's earned income allowance	985	1,075	90
Married person's allowance	1,535	1,675	140
Single pensioner's allowance	1,300	1,420	120
Married pensioner's alowance	2,075	2,262	190

£ in New York

—	April 2	Previous
Spot	$2.0680-0690	$2.0695-0705
1 month	0.26-0.21 dis	0.038.33 dis
3 months	0.68-0.63 dis	0.70-0.65 dis
12 months	1.40-1.25 dis	1.50-1.40 dis

BL confirms talks with Honda on joint car manufacture

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL yesterday confirmed that it was discussing with Honda, the Japanese motor manufacturer, "possible areas for technical and business collaboration."

BL, formerly British Leyland, insisted that it was still too early to say what might arise from the negotiations but "clearly we hope the talks will be fruitful and successful."

However, before the joint statement was issued, Honda in Japan indicated that the discussions centred on the *possibility* of a Honda-designed car being assembled under licence by BL.

The car, to replace Marina and Allegro cars and possibly also the Dolomite, could be in production at Cowley by 1981, BL suggested. Talks which have been going on since last autumn could be concluded fairly soon.

Reaction in the UK to the proposed deal was generally favourable. The Government has taken the view that BL and Mr. Michael Edwardes, its chairman and chief executive, should be allowed to consider any collaboration which made commercial sense. Yet ultimately, any deal with Honda would probably be subject to approval firstly by the National Enterprise Board, BL's major shareholder, and the Government.

Mr. Norman Lamont, a Conservative spokesman on industry, favoured the idea but maintained that a Conservative government would want to examine details of any deal. "An arrangement of this kind could provide security of employment for UK component *suppliers, the UK steel industry* and the BL dealers as well as within the car manufacturing industry itself. The deal should be seen as an opportunity, not a threat."

Trade union reaction was muted with officials taking the view that they would wait to see the fine print of the final agreement

But Mr. Joe Harris, Transport Union convener at the Rover plant in Solihull, said: "Maybe some individuals for narrow-minded reasons will give the idea a hostile reception. But in general terms the man on the shop floor will probably say that as long as someone employs me and is a reasonable employer, I don't give a damn whether he is British, German or Japanese."

There was some concern among other major European car makers, however. It was felt that the link with BL could provide the Japanese with their first manufacturing base in Europe, from which their attack on European car markets could continue even if further curbs are imposed on direct exports from Japan.

Formal news of the negotiations was given to members of BL Cars joint management council yesterday by Mr. David Andrews, executive vice-chairman of BL. His prepared statement read:

"Over the past year BL has said that some form of co-operative venture with another manufacturer was desirable because BL has far fewer international links than most major vehicle companies.

"BL has been holding discussions with Honda Motor Company of Japan on possible areas for technical and business collaboration with them. BL believes that the size, range of products and technical resources of the two companies offer possibilities for developing combined programmes which would be of benefit to both."

The emphasis in the statement about size suggests that Mr. Edwardes sees Honda, whose turnover and car output are both about the same as BL's as a partner more suitable than, for example, Renault of France, twice BL's size, which for more than a year has been attempting to interest the UK group in a similar deal.

There is little overlap in the BL and Honda car ranges because the Japanese group concentrates solely on small and medium-sized cars of up to 1,800 cc engine capacity.

Editorial comment and background to talks, Page 18

BNOC buys Mesa oil interests

BY KEVIN DONE, ENERGY CORRESPONDENT

THE British National Oil Corporation has signed a preliminary agreement to buy all the UK interests of Mesa Petroleum, the independent U.S. company. The purchase is a major move to strengthen BNOC's North Sea operations, and includes a 25 per cent interest in the Beatrice field.

Overall, BNOC will be paying about $57m (£28m) for the Beatrice stake and for Mesa's interests in four other North Sea blocks.

BNOC, which will take over from Mesa as operator of the Beatrice field, has acquired 13 per cent of the field for its own account and 12 per cent for Deminex, the West German part State-owned oil exploration company.

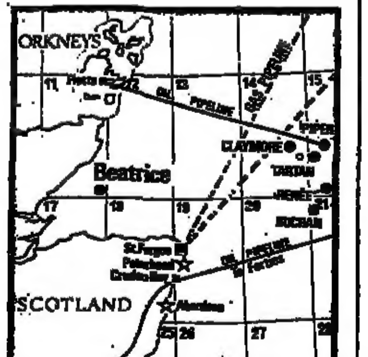
In a parallel deal Deminex has announced that it is buying out the 15 per cent Beatrice interest held by Creslenn, a small Texan oil company. BNOC will have an option, which it is expected to exercise, to take one-third of the Creslenn interest.

The Beatrice Field partnership has been unsettled for a long time, and in the last three months there has been a major re-alignment of interests.

At the end of January BNOC bought a 10 per cent interest in the field from Hunt Oil of the U.S. With the transfer of interests between BNOC and Deminex, shareholdings will be: BNOC 28 per cent, Kerr McGee 25 per cent, Deminex 22 per cent, P and O 15 per cent, Hunt Oil 10 per cent.

P and O is seeking to sell its 15 per cent, and both Deminex and BNOC have had talks with the trouble-hit shipping company.

BNOC and Deminex, both with strong State interests, have been developing an increasingly close relationship in the North Sea.



Deminex, in which Veba, West Germany's largest energy company is majority shareholder, has been searching hard to build up its interests in proven oil reserves in the North Sea. It was formed in 1969 as one of West Germany's moves to

Continued on Back Page
Background, Page 8

CONTENTS

For latest Share Index phone 01-246 8026

Britain warned as EEC delays steel code debate

BY GILES MERRITT IN LUXEMBOURG

THE EEC Foreign Ministers have decided to postpone until June further moves on the question of limiting national aids to steel producers.

Britain has, nevertheless, been warned that failure to agree to the proposed six-point code on aids could cause the European Commission to take Britain to the European Court of Justice. M. Raymond Vouel, EEC Competition Commissioner, told yesterday's meeting of the Foreign Ministers' council that he would not hesitate to use his powers under the Treaty of Rome if no solution is found.

Both Britain and Italy are opposed to the proposed code that would give the Commission power to study non-specific aids to the steel sector, such as regional grants, and to decide whether they distorted competition.

The move to delay further discussion of the steel aids dispute, which has been going on for a year, means that it will not be tackled until after both Britain and Italy have gone to the polls in general elections. Italy, with a large public sector steel industry, is fighting the code on practical grounds, but it is the British Government's objections over legal doubts that present the most serious obstacle

After yesterday's ministerial meeting in Luxembourg it became clear that some of the seven states that support the code believe the issue can be settled once the British election is over. They hope that the bitter legal wrangle that the Callaghan Government seems prepared for may be avoided if the Conservatives come to power and British aid policies toward loss-making industries are changed.

M. Vouel alluded to the Commission's powers under two sections of the Treaty of Rome. The first is Article 90, which it is planned to use this summer to implement the first Commission directive requiring member Governments to report fully on their aids and subsidies. The second is the inter-linked articles 92 and 93, which govern the payment of national aids.

Britain argues that the Commission cannot use the Rome treaty in connection with steel industry questions that are covered by the earlier Treaty of Paris on the European Coal and Steel Community.

Should the British General Election fail to produce any change in Britain's opposition to a steel aids code, a complex legal battle is likely to ensue before the European Court.

Greece raises fuel prices in bid to save energy

BY OUR ATHENS CORRESPONDENT

THE GREEK Government yesterday announced a series of energy saving measures following oil price increases announced by OPEC last month.

The price of petrol, already among the highest in the world, was raised by 18 per cent to Dr 26 a litre (34p) a gallon for high octane and Dr 23 a litre (30p) a gallon for regular.

Mr. Constantine Mitsotakis, the Minister of Co-ordination, said the Government will soon introduce petrol rationing for private cars. Meanwhile only half of private cars will be allowed on the roads at week-ends—odd numbers one week-end and even numbers the other.

Other energy saving measures include control on fuel for central heating, a maximum speed of 50 miles per hour for cars, and a ban on neon publicity signs after 10 pm. Television will also be restricted during the day.

Greece's state-controlled power company will apply a price scale to discourage unreasonable use of electricity. The purchase and installation of solar heaters which is already tax deductable is being encouraged.

To minimise the use of crude oil in energy production two new lignite-fired power stations are to be built with a total installed capacity of 600 MGW.

The government will, it seems, be hard put to meet its target of containing inflation to the 10 per cent level. In the year to March consumer prices are estimated to have risen nearly 20 per cent.

Reuter adds from Luxemborg: The final round of talks on Greek accession to the EEC started yesterday.

Paris block on textiles negotiations with China

By Guy de Jonquieres, Common Market Correspondent in Luxembourg

FRANCE YESTERDAY prevented the EEC from opening formal negotiations with China on a planned agreement on textiles.

The French action, at a meeting of EEC Foreign Ministers in Luxembourg, came as a surprise. In the view of many offical observers here, it was motivated by political, rather than economic, considerations.

Presdent Valéry Giscard d'Estaing is to make an official visit to Moscow later this month, and it was suggested that France's main purpose in blocking the start of negotiations with China was to make a favourable impression on the Sovet Union.

Some other delegations were openly critical of M. Jean Francois-Poncet, France's Foreign Minister, who chaired yesterday's meeting. They suggested he had used the chair to steer discussion in a direction which favoured French nterests.

The agreement was intended to meet China's demand for a substantial increase in its textile exports to the EEC. The Chinese argue that this is the only way they can earn foreign exchange to pay for the products which European countries want to export to them.

China has been seeking to treble the annual volume of its textile exports, which are now limited by unilateral EEC restrictions, to about 60,000 tonnes. But the Community appears reluctant to offer the Chinese more than about 35,000 tonnes a year.

France's action was triggered by a European Commission proposal that China should be permitted to export to the EEC between 14,000 and 20,000 tonnes a year of cotton cloth, one of the most sensitive categories of textile products. France insisted that the Community's offer should not exceed 14,000 tonnes.

It is thought likely that the French objections can be overcome, but probably not before the next EEC Foreign Ministers' meeting, scheduled for early next month.

Swedes shut reactor

STOCKHOLM — The Swedish state power Board has temporarily closed down the nuclear power plant Ringhals 2, near Gothenburg, because of a leak in a steam generator, a spokesman said yesterday.

The plant is of the same type as the crippled unit in Harrisburg, in the United States, but of a different make, he added. Agencies

Berlinguer keeps his options open

BY RUPERT CORNWELL IN ROME

ITALY'S Communist Party leader, Sig. Enrico Berlinguer, sent his party into the electoral fray yesterday with the warning that the campaign will be much harder than in June 1976, when the party won 34 per cent of the popular vote.

The Cabinet of Sig. Giulio Andreotti, the caretaker Christian Democrat Prime Minister, meets today to fix the election timetable. It is thought that he will pick as polling days, June 9 and 10, the weekend of the European elections.

Sig. Berlinguer's closing address in Rome to the 15th national congress of his party launched a campaign which on current indications could see the Communists lose ground to the Christian Democrats. But despite pressure from an influential hardline faction within the party, Sig. Berlinguer has carefully kept his options open for future co-operation with its rivals.

Reaffirming that the Communists will settle for nothing less than direct representation in a new Government if they are to be lured from opposition, he renewed his call for a government of national unity, as the only means of putting Italy to rights.

His speech was more notable for the common ground it sought to establish with the Christian Democrats than for the predictable attack on their refusal to countenance Communist Ministers.

Sig. Berlinguer pointed out that the Communists were "the second largest Catholic party in Italy," and added that in some areas, such as the Veneto and parts of industrial Lombardy, the Christian Democrats had enrolled greater working class support than the Communists.

The division within the party leadership over the path to follow after the Communists' unhappy experiences of the past three years has been made clear in three days of debate. The hard-line approach, summed up in an outspoken speech by Sig. Armando Cossutta, was rejected by another member of the leadership, Sig. Giorgio Napolitano, who came out emphatically against any defensive retrenchment.

Sig. Berlinguer stressed that the party would not retreat into its shell. He laid great importance on reforging good relations with the Socialists to create a united Left which might challenge the dominance of the Christian Democrats.

Poor turnout by Spaniards in local poll

BY ROBERT GRAHAM IN MADRID

SPANIARDS made a poor turnout when they went to the polls yesterday, to vote in free municipal elections for the first time since 1933.

The low poll had been widely expected because of voter apathy after last month's General Election, but seemed to have been made worse by bad weather.

In some areas, early indicators pointed to less than 50 per cent of the 26m electorate polling despite workers being given four hours free in which to vote. Results are expected to be known today.

In terms of winning the greatest number of the 8,041 municipalities, Sr. Adolfo Suarez Union de Centro Democratico (UCD) will almost certainly be ahead.

The Socialists and Communists have concentrated their efforts on medium-sized and large towns.

Interest centres on the fate of the UCD in the cities, and the expected shift towards the Socialist and Communist Parties. A low poll is expected to favour candidates of the Left.

Attention will also focus on the regional parties, particularly in the Basque country, but also in Andalucia and Catalonia.

If the Basque result confirms the solid 20 per cent support for separatist parties evident in the General Election and the December constitutional referendum, the prospects of solving the Basque problem will become more difficult.

POLAND CUTS BACK GROWTH TARGETS

Priority goes to debt repayment

BY CHRISTOPHER BOBINSKI IN WARSAW

DISCLOSURE of the fact that some 54 per cent of Poland's expected hard currency earnings this year will have to be earmarked for debt servicing has helped to remove one of the major uncertainties about Poland's external financial situation. Western bankers appear to be quite pleased that the debt position is close to their rough estimates and no worse.

On the strength of the information they have received from the Polish authorities, Western banks were even willing to raise the medium term loan the country has just signed to $550m from the originally mooted $500m. This represents something of a vote of confidence that the Polish economy will indeed be able to move into a surplus on its external trade by 1981 and then generate the surpluses required to pay off not only existing debts but also the further borrowing which will be required to finance the deficit until then.

Achieving this goal, however, will depend largely on the success of the new economic strategy which is outlined in the 1979 annual plan. This puts the emphasis on lower growth and investment targets, priority treatment for exports, and squeezing the maximum out of existing plant and resources.

One way to increase overall economic efficiency is to remove bottlenecks—particularly in the transport and energy sector—which have accompanied the dash-for-growth policies pursued up to now. But while the Government has decided to raise the Energy Ministry's investment budget from 40.9 to 43.5bn zlotys (£693m) this year, the investment budget of the Transport Ministry has been sharply cut back from 55bn zlotys last year to only 40bn zlotys in 1979.

The decision to hold back transport spending is particularly controversial given the close interdependence between transport and energy in a country which uses coal and lignite to produce 95 per cent of its electricity and which therefore, requires the transport of some 200m tons of coal annually from mines to power stations and ports.

The precariousness of the relationship was underlined this winter when coal trains were snarled up by frozen points and frozen cargoes and power generation plummeted for lack of fuel. Furthermore the coal stocks mounting up at the pithead in the principal hard coal mining area around Katowice are now estimated to total some 5m tons because the railways cannot transport it away.

Some of the extra funds allocated to the energy industry are to be invested in special low-temperature unloading equipment as well as improvements to the grid system to help share the load more equally. At the same time work on a new opencast lignite mine at Lubstow near Konin is now being brought forward so that annual production of 4 to 5m tons should be achieved by 1982. Work is also to be speeded up on Poland's first nuclear power station at Zarnowiec to bring it on stream by 1984. Work on the second station on the lower reaches of the River Vistula is also to be brought forward so that construction can start by 1983.

Expansion of nuclear energy and lignite-fuelled power is scheduled to bridge the energy gap and free expanding hard coal production for export. Currently some 19 per cent of hard currency earnings come from hard coal. But the need to satisfy the projected increase in demand is such that serious consideration is now being given to the construction of two hard-coal fuelled power stations, one is at Tarnow and the other near Lublin on the new hard coal basin now being developed, which is expected to produce 6m tons by 1985 and 25m tons by 1995.

In many ways this highlights one of the dilemmas now facing Polish planners. They need sufficient energy to allow plant, specially the productive modern plant imported in recent years, to work without interruption. At the same time they need to ensure tha tcoal is available for export and that imported energy sources like oil and gas are used as efficiently and sparingly as possible.

However both domestic and industrial energy prices have been kept well below international levels, and indeed the same applies to transport charges. This means that there has not yet been any substantial progress towards the sort of greater fuel efficiency which has emerged in the West in response to soaring energy bills. At the same time low transport charges mean that transport costs have not been, up to now, a major consideration in determining the siting of industrial plants. This has been a contributory factor to the overloading of the transport, and particularly the railway, system.

Saudis in Ankara to sign $250m loan

By Metin Munir in Ankara

SHEIKH Muhammad Aba al-Khail, the Saudi Minister of Finance, arrived here yesterday to discuss project credits for the Turkish public sector from the Saudi Fund for Development.

Agreement in principle has been reached for a $250m loan from the fund, but Mr. Ziya Muezzinoglu, the Turkish Finance Minister, said yesterday he would try to raise the loan ceiling. The agreement will be signed today.

The Saudi funds will allow completion of projects, mostly in energy, which have slowed down or stopped because of the foreign currency shortage, officials said.

The Turkish Government appears to be attaching great importance to this visit. Sheikh Aba al-Khail's visit is the highest level contact between the 15-month-old government of Prime Minister Bulent Ecevit and the Saudis. There are official expectations that, apart from the project credit, fresh funds might be raised for import financing.

Through this visit, Ankara also wants to soothe anxieties in the West that it is growing too close to Colonel Muammar Gaddafy, Libya's voltaile leader.

At the airport Sheikh Aba al-Khail said Saudi Arabia preferred to deal with Turkey bilaterally and would not participate in the emergency fund being put together by the Organisation for Economic Co-operation and Development.

Mr. Walter Leisler-Kiep, Germany's special emissary for emergency aid to Turkey, arrives here today for discussions with Turkish officials.

Reuter adds from Luxembourg: EEC Foreign Ministers have agreed to set up a special fund worth $115m to give short-term aid to Turkey. The fund of 75m European units of account will be used to make grants and soft loans. Diplomats said it was additional to other aid from individual EEC member states.

Bid to try Menten

The chief public prosecutor yesterday asked the Dutch Supreme Court to reverse a lower court decision to free Mr. Pieter Menten, the millionaire art collector, after his trial on Nazi war-crime charges, Reuter reports from The Hague. A high court in The Hague

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Chirac launches new attack on Giscard policies

BY DAVID WHITE IN PARIS

PRESIDENT Valery Giscard d'Estaing will lose his campaign for re-election in two years' time if he holds to his present policies. This bluff warning came yesterday not from the left-wing opposition, but from M. Jacques Chirac, leader of the Gaullist RPR party, on which M. Giscard's government depends for its parliamentary majority.

It marked a further escalation in fierce verbal skirmishing between the Government and M. Chirac, who backed M. Giscard for President five years ago and who became his first Prime Minister.

Fresh from his overwhelming confirmation as party leader at a Gaullist conference at the weekend, M. Chirac brought new strength to his attacks on government economic and foreign policy.

M. Jacques Chirac

The resurgence of bad blood between the Gaullist leadership and the Giscardian UDF party, which between them make up the government majority, is timed for the run-up to the European Parliament election in June, *in which M. Chirac hopes* to recoup some of the ground lost in recent domestic polls.

He strongly criticised M. Raymond Barre, the Prime Minister, for putting his weight explicitly behind the UDF list of candidates, which is headed by Mme. Simone Veil, the Health Minister. Arguing that the Government was held up by two parties, M. Chirac threatened any of the Gaullist Ministers who did the same with ejection from the RPR.

French voters' wishes to "see their interests defended better" *against those of the remainder* of the EEC made it imperative for the President to adopt new policies.

If the Government continued on its present course, no candidate from the existing majority would stand a chance in the presidential elections, he added, citing the strong opposition performance in last month's cantonal voting.

Polish incomes grow 7%

BY CHRISTOPHER BOBINSKI IN WARSAW

PRIVATE incomes grew faster than production in Poland during the first three months of this year, according to preliminary estimates issued by the Ministry of Finances in Warsaw.

Total incomes paid to the population in the first quarter grew by about 7 per cent compared to the same period in 1978, but supplies of consumer goods in January and February were 5 per cent down on the same months last year.

This has been caused by production losses resulting from power cuts, transport bottlenecks and other dislocations stemming from the heavy winter.

As a result, savings grew by Zl 20bn (about £330m) in the first quarter from Zl 409bn (£6.8bn) in the banks at the end of 1978—a 38 per cent growth compared to the first quarter last year.

Finance officials point out that the first quarter saw annual production bonuses paid out in the form of savings cheques rather than cash. It goes some way towards explaining the high rate of savings growth.

Taxman exposes wealth of Spain's richest families

BY ROBERT GRAHAM IN MADRID

THE FRANCO régime's veil of secrecy surrounding private wealth has been removed by the Finance Ministry's decision to publish the 1977 tax returns. For the first time, Spaniards can see who really has the money.

It is not, as popular legend has it, Cayetana Fitzjames Steward, Duchess of Alba (on whose land one can theoretically walk from one end of Spain to the other). But a group of six or seven families all of whom have made their money in the last 50 years.

The richest, Sr Jose Maria *Ruiz-Mapeos*, 48, has built up Spain's largest private holding company, Rumasa, in just over 15 years. His declared capital for tax purposes is Pta £8.9bn (£65m). Two other members of his family have declared another £26m capital.

With one exception, the common strand in this new wealth is banking. Excluding Sr Ruiz-Mapeos, most owe their fortunes to a privileged relationship with the former Franco régime.

The one non-banking family is that of Areces Rodriguez, *who returned from Cuba in* the mid-30s and established El Corte Ingles, now Spain's largest department store chain.

Sr. Ruiz-Mapeos' empire has been built on the wine trade (he bought Williams and Humbold and Augustus Barnett in the UK). He is well diversified in property, agri-business, insurance, hotels and banking. Rumasa has the eighth biggest group of banking interests.

The other families—Botin, Coca, Fierro and March—are all directly associated with *banking. Sr. Emilio Botin, the* head of the family, is the presiding head of Banco de Santander.

The Fierros are the main shareholders in Banco Central, having last year merged their Banco Iberrico, but retaining important industrial assets. The Coca family sold out their bank last year to Banesto, to become that bank's largest shareholder in the biggest banking empire in Spain.

The Marchs own the bank of that name, and the second generation derive their wealth from the initiative of a little-*known* Majorcan who thrived during the Civil War.

The net worth of three Cocas mentioned in the leading list of owners of capital totals £33m similar to the wealth of three Fierros, while the net worth of three Botins is declared to be £29m.

The taxman has been able to expose this wealth due to a new tax on capital, and new laws permitting inspection of bank accounts. By most European standards, the tax paid on this capital is modest. For instance, Sr. Ruiz-Mapeos paid £1.5m on his declared capital.

Returns on income tax have also been made public. The man receiving the highest salary, according to a preliminary scrutiny, is Sr. Ramon Areces Rodriguez, head of El Corte Ingles. He receives a total emolument of £750,000 a year.

Of the bankers, Sr. Emilio Botin is among the highest paid, with almost £500,000. Of the politicians, the highest paid is Sr. Blas Pinar, the Fascist lawyer and leader of the Union Nacional. His earnings are equivalent to £117,000.

Charles Batchelor, in Amsterdam, examines the confrontation in Holland's annual wage negotiations

Talks stall on demand for shorter hours

AFTER A month of growing confrontation in the Netherlands' annual wage negotiations, the first signs are emerging of a resumption of talks between employers and unions.

So far the main change is in the Dutch metal industries, a traditional pace-setter in the yearly wage round. The unions have reacted positively to an invitation from the metal workers' federation to restart negotiations.

However in general, employers, worried at the way wage costs are already well above those of their EEC competitors, have refused to give in to demands, in particular for a shorter working week.

The agreement reached in early February for 50,000 printing industry workers was followed later that month by an accord for 260,000 building trade employees. But, apart from the 40,000 painters and decorators who normally follow the trend set by the building workers anyway, 50,000 in the furniture and wood industry and a number of smaller sectors, the main employers' and union groups have been unable to reconcile their differences.

The largest Dutch steelmaker, Hoogovens, has been engaged in an acrimonious public debate with the unions for the past few weeks. Whereas the company can plead a succession of poor years and a problems of the world steel recession as a reason for not giving in to union demands, the banks and insurance companies have several very-profitable seasons behind them.

Talks in the textile and clothing sectors have been suspended, while among the Dutch multinationals, Philips and Unilever are also at odds with their unions. At several other larger companies, notably Shell, AKZO and DSM, talks are still in a fairly early stage.

Apart from the printing, building and painting trades and the furniture and wood-working sectors the list of agreements reached in short. The 7,000 chocolate and sugar processors have accepted the employers' package while the Vroom en Dreesmann store group has also brought negotiations to a satisfactory conclusion.

In all, however, fewer than 500,000 of the 2.7m workers directly or indirectly engaged in talks have signed agreements.

The major obstacle in the stalled talks is the union demand for the 40-hour working week in industry to be reduced to 35 hours. Undismayed by the failure West German steelworkers to cut their working week by strike action, the Dutch unions are now seeking a fairer distribution of the available work.

During the course of negotiations the unions have reduced their demand to a gradual introduction of the shorter week, but the employers have refused to budge. In an effort to restart the talks in the metal sector, which involves 50,000 workers, the unions have offered to accept a cut of one hour in the working week this year, and have received a cautious welcome to this initiative.

The employers argue that any cut will increase their costs and ultimately put more workers on the dole. The largest employers' federation, the VNO, calculated a reduction of one hour would lead to a rise in costs of 3-5.5 per cent.

Union leader Wim Kok (left), who has spearheaded the growing militancy of Dutch unions in recent years, hopes industrial action will not be needed.

"*The economy is not in* such a flourishing condition. We need a wave of social conflict as badly as we need a toothache," he told a meeting of public service unions.

Holland has seen its share of world trade fall in the past few years as high wage and social security costs have made industry uncompetitive on world markets. The shortage of labour in some areas is put forward by the employers as a further reason not to cut working hours.

The success of the employers' resistance in West Germany—Holland's largest trading partner—has made the Dutch employers even more determined to hold out. According to the unions, the textile industry employers said Holland could not consider a shorter working week until it had already been applied for five years elsewhere in Europe.

In a letter to Parliament, the seven major employers' organisations warned against Holland becoming "the blindfolded pioneer of shorter working, in particular of the shorter week, in Europe and the world."

They argue that they are not opposed to shorter working as such — the agreements reached so far this year allow for early retirement of older workers and longer holidays — but the shorter week is the most uneconomic way of redistributing work. Existing machinery would stand idle for longer and new labour-saving machinery would have to be installed.

The Central Planning Office, the Government's main forecasting organisation, but, in theory at least, an independent observer of the economic scene, has come to the employer's aid with a report on the impact of a shorter week. This has shown that it would lead to fewer jobs unless the unions were prepared to take a cut in their members' wages, and even if the wage cuts were accepted the effect would still be to reduce productivity.

Dismissed by the unions as a political stunt, the report nevertheless gives the most detailed analysis yet of the effects of the 35-hour week. If no wage cuts are accepted, a shorter week would lead to the loss of 35,000 jobs by 1983 and of double that number by 1988.

Productivity would fall by 2.1 per cent a year, while inflation would increase by 1.8 per cent annually.

If compensatory wage reductions were agreed, 45,000 jobs would be created by 1983 but production would still fall by 1.7 per cent and prices would rise by 0.7 per cent a year.

The employers have said they are prepared to consider shorter working in the future only after an independent study has been carried out of its effects.

Even the unions are divided over their claim for shorter working. The combined Socialist and Catholic FNV federation has said it will back individual unions which take strike action to support their demands. But a senior FNV Board member, Mr. Frans Drabbe, has pointed out that wage sacrifices will be needed.

While the normally aggressive industrial unions affiliated to the FNV have made a "last offer" of a one-hour cut in the working week to 39 hours this year, the traditionally more moderate Protestant CNV federation has come out in favour of industrial action.

Speaking to a meeting of public service unions Mr. Wim Kok, chairman of the FNV, stressed that a strong union movement was necessary to defend the position of both the workers and the unemployed.

But even Mr. Kok, who has spearheaded the growing militancy of the Dutch unions in recent years, said he hoped industrial action would not be needed.

"The Dutch economy is not in such a flourishing position," he said. "We need a wave of social conflict as badly as we need a toothache."

After the breakdown of the central wage talks in November the Government has sat on the sidelines. As has become the pattern in recent years, the talks have been continued on an industry and company level when the central negotiations failed.

Mr. Willem Albeda, the Social Affairs Minister, told Parliament he did not think the time was ripe for the Government to intervene again although he thought all sides should get together to discuss the underlying problems of the labour market.

After the wave of strikes in the spring of 1977 which helped the unions achieve their aim of maintaining full price compensation, last year's wage talks passed off without incident. Union attitudes have hardened this year, however, because of the new centre-right Government's plans to cut public spending.

Police seize 'state papers' from three Bhutto homes

BY CHRIS SHERWELL IN ISLAMABAD

ARMED POLICE raided the three homes of Pakistan's condemned former Prime Minister, Mr. Bhutto, early yesterday. Martial law authorities said the operation recovered "secret documents of an extremely sensitive nature.

The raid came as speculation intensified that Mr. Bhutto might be hanged soon. His wife, Nusrat, and daughter, Benazir, had an unprecedentedly long three-hour meeting with him yesterday at Rawalpindi Distrct Jail. On Monday, Benazir was under the impression that this would be their last chance to see him.

But, in the face of newspaper reports that the Governor of the Punjab had already rejected a mercy plea made on Mr. Bhutto's behalf, officials insisted that no decision had yet been taken by the President, General Zia-Ul Haq.

The country was again quiet yesterday, but bomb blasts in Lahore in the Punjab, and in Quetta in Baluchistan, suggested that the potential for unrest is not far below the surface. The police and army presence in the major cities has not increased in recent days.

Yesterday raids were made on Mr. Bhutto's homes in Karachi, Larkana and Naudero and the southern province of Sind. They were said to have followed receipt of information that an "organised effort was being made to smuggle out certain top secret State documents which were reported to have been removed by the former Prime Minister from his official residence."

The martial law authorities added that the bulk of the material was recovered from the Karachi residence, "hidden in obscure places such as secret closets in bathrooms, inside mattresses and in hidden chambers behind large-sized mirrors and cupboards."

With a visiting Chinese defence team not due to leave the country until today, it is not thought likely that Mr. Bhutto's execution, if it is to go ahead, will happen before tomorrow. This would be in keeping with diplomatic convention.

Janata factions near showdown

By K. K. Sharma in New Delhi

A SHOWDOWN between rival factions in Mr. Morarji Desai's ruling Janata Party is expected this week and is likely to be far more serious than the six-month crisis that ended in January with Mr. Charan Singh's return to the Cabinet

Unlike the personal differences between Mr. Desai and Mr. Charan Singh that endangered the party then, basic issues of ideology are involved.

The nub of the conflict is the continuing link of the party's Jana Sangh faction with the Rashtriya Swayansewak Sangh, which is described as a cultural organisation but is, in fact, a militant Hindu and highly disciplined group.

The RSS aims at protecting "Hindu culture" and was banned during Mrs. Indira Gandhi's emergency rule for its allegedly fascist and communal character. The ban was lifted when the Janata Party came to power and the RSS is now a powerful force in northern India where it is backed by traders and small businessmen.

Criticism of the RSS by supporters of Mr. Charan Singh and others is really aimed at the Jana Sangh, all of whose members belong to the RSS and refuse to cut their links. Opponents of the Jana Singh say membership of both the Janata Party and the RSS is incompatible because both are political organisations.

Prominent Jana Sangh members, such as the External Affairs Minister, Mr. Atal Behari Vajpayee, and the information Minister, Mr. L. K. Advani, have let it be known that they will not dissociate themselves from the RSS.

At a meeting of 24 prominent Janata members on Monday night Mr. Vajpayee and other Jana Sangh leaders said they would prefer to leave the Janata Party rather than break with the RSS. The dispute is expected to worsen when the Janata national executive meets tomorrow.

Date set to open Sinai border

BY DAVID LENNON IN CAIRO

EGYPT and Israel are to open their common border along the Sinai Desert on May 27, Mr. Menahem Begin, the Israeli Prime Minister, announced after a meeting with Egypt's President Anwar Sadat, in Cairo yesterday.

He also said that the two nations would exchange the instruments of ratification of their peace accord next week and start talks on Palestinian self-rule a month later.

The two leaders held a working session in the morning which went beyond the expected courtesies to produce agreement on a number of technical issues, including opening a direct air link between Israel and Egypt.

Mr. Begin announced that Dr. Boutros Ghali, the Egyptian Deputy Foreign Minister, would visit Israel next week, and Mr. Moshe Dayan, the Israeli Foreign Minister, would travel to Cairo to exchange the instruments of ratification. Mr. Ezer Weizman, the Israeli Defence Minister, would also visit the Egyptian capital next week to discuss the withdraway of Israeli troops from Sinai.

President Sadat and Mr. Begin have agreed to meet again next month. The Egyptian leader will travel to El Arish on May 26 when the Sinai town is handed back to Egypt. The following day Mr. Begin will also go to El Arish, to hold talks with President Sadat.

The two men will then pay a visit to the Southern Israeli town of Beersheba, which is to be the site of the opening of the Egypt-Israel talks on the Palestinian autonomy arrangement.

Mr. Begin said committee meetings on the self-rule issue would start in Beersheba a month after the ratification documents are exchanged, and later meetings would alternate between Beersheba and El Arish.

Following the talks President Sadat said he would speak to the Egyptian Assembly later this week about the decision of the Arab States to withdraw their diplomats from Cairo. He was familiar with such Arab reactions, which, he said, had also followed his earlier interim agreements with Israel, and his visit to Jerusalem in November, 1977.

Troops enter Turkoman town

GONBAD-E-KABUS—Iranian armed forces moved unopposed into this town near the Soviet border yesterday after a week of fighting between Turkoman rebels and pro-Government Islamic militia.

The troops entered the town after a new ceasefire agreement which ended a night of street fighting. The Turkomans are seeking autonomy. Earlier ceasefires had failed.

The Turkomans in the town hailed the armed forces, and said they were satisfied their rebellion had been a success. Other fighters withdrew to the north of the town.

Reuter

Invaders' guns soften up defences of Kampala

BY MARK WEBSTER IN NAIROBI

TANZANIAN ARTILLERY continued to pound the Ugandan capital, Kampala, and its surroundings yesterday as residents awaited the final assault by Tanzanian-backed invasion forces.

Diplomats in Nairobi believe that the shelling and recent air attacks by Tanzanian jets on Ugandan towns are part of a softening-up operation to make the task of taking Kampala easier.

The invaders are reported to have taken back some of the ground lost during a recent counter-attack led by Libyan soldiers fighting for President Amin.

Entebbe airport was reported closed to all traffic yesterday after raids by Tanzanian MiG fighters. But airport officials said only slight damage had been done and had already been repaired.

The whereabouts of President Amin were again in doubt yesterday. After his appearance in the eastern town of Jinja on Monday. He was said to be visiting troops in the front line.

Peking to end friendship pact

PEKING — China said yesterday that it would not renew its 30-year friendship treaty with the Soviet Union when the pact expired next year.

The New China News Agency said this was decided at a meeting of the standing committee of Parliament yesterday, in view of great changes in the international situation. The treaty had long ceased to exist except in name "owing to violations for which the Chinese side is not responsible." Reuter

TUNISIAN PROSPECT

Looking beyond Bourguiba

BY DAVID WHITE, RECENTLY IN TUNIS

WHEN Habib Bourguiba, now in his late 70s, was made life President of Tunisia four years ago, he had already made provision for the vacuum that sooner or later would be created by his departure.

Automatic succession of the Prime Minister was a controversial issue and the position of the Prime Minister Mr. Hédi Nouira, was often in question.

Today, a year after the most traumatic event of Tunisia's post-independence history, the bloody general strike of January 26, 1978, this is no longer the case.

The immediate challenge to Mr. Nouira vanished with the dispute. As secretary-general of the Parti Socialiste Destourien, Tunisia's de facto sole political party, he is also heir apparent to its leadership. The constitution says the Prime Minister takes over a vacant presidency to the end of the mandate. If Mr. Nouira had to step in before the current five-year mandate runs out in November, he would stand every chance of being the party's candidate for another term.

Since Mr. Nouira is already running the Government for Mr. Bourguiba—a shadow, these days, of his former extraordinarily vital self—accession would seem unlikely to herald much change. But Mr. Nouira is 67 and while both he and Mr. Bourguiba may, of course, still be there through another term, it is hard to imagine Tunisia having a head of state in his 80s and a Prime Minister in his 70s and not asking itself some questions.

But, having emasculated its most immediate rival, the trade union movement, which vied with the PSD in size and surpassed it in dynamism, is the party elite leading the country up a political cul-de-sac.

January 26, 1978—Black Thursday—and the events that built up to it were a severe jolt to the Government, the party and the country. The trial of strength between the Government and Mr. Habib Achour, an old party man, charismatic leader of the UGTT union and a figurehead for more doctrinaire opponents of the regime, culminated in a debacle which left, according to the various estimates, either 56 or several hundred dead.

The present picture is one of surprising calm. The middle class and the state bureaucrats exude well-being. The UGTT is under docile new leadership and is preparing for another annual wage pact with the Government. People talk freely. Police activity is generally normal. Tunis University is subject to frequent strikes which go unreported in the tame daily press.

The key figures of the labour unrest are still in prison. The leaders were rounded up—some are alleged to have been tortured—tried and sentenced to generally mild terms. Mr. Achour was given 10 years, but his trial had more echoes abroad than in Tunisia.

The outcome in the party has been a strengthening of the hard line behind Mr. Nouira. His fancied rival, Mr. Tahar Belkhodja, the Interior Minister, was replaced, and half a dozen other members of the Government panicked and resigned. A year later, they are seeking to return to favour.

Another contender, Mr. Mohamed Masmoudi, architect of the disastrous Jerba agreement in 1974 which foresaw a union of Tunisia and Libya, is still under house arrest.

But it would be wrong to overstate the power potential of Mr. Nourira. Neither he nor anybody else will be able to command as President the same authority or respect as the "Supreme Combatant," Mr. Bourguiba. It seems inevitable that the post-Bourguiba period will produce a more open contest within the party, possible that it will see the emergence of other political groups, conceivable that Tunisia's small army and its three generals might assume a more active role.

With the succession tacitly in mind, the party is now being led through a re-thinking session in preparation for a pre-election congress in September. The congress will be asked to focus on two broad quesions: the kind of society Tunisia wants and the role in it of the individual and the state, and the country's place in international affairs.

Mr. Nouira does no rule out changes in the structure of the PSD, which now has three quarers of a million members. Although the party central committee is elected, its Political Bureau is to all intents and purposes appointed by the President.

But the scope given for more democracy is limited to the confines of the party. Outside it, the only [illegible] group is the Social Democrats' Movement, which could not contemplate mounting an election campaign. As a low-key reformist movement it is losing public credibility. Further left there are two clandestine groups, the Tunisian Communist Party, pro-Soviet and close to the French Communists, and the Popular Unity Movement, principally active among Tunisians living abroad.

Mr. Nouira is pro-western, pro-private sector, but not pro-multi-party democracy. Tunisia is not prepared to accept other

Habib Bourguiba—succession arranged

people's ready-to-wear systems, he says. Some in the Government think differently (so, according to reports, does a group of young army officers), but Mr. Noulra's camp has the upper hand these days. This hard line is embodied by Mr. Mohamed Sayah, party director; minister responsible to the Prime Minister, and the most obvious, although not the only, next-in-line candidate for the Presidency. He accepts the current system as being "imperfect but the best adapted for Tunisia for a number of years to come."

The stress on "vigilance" and the need to "come out of the transitional period with the least damage" is a recognition of the pressures to which the regime is subject.

The newest of these is the Islamic revival, which came to the surface two years ago and is now riding the crest of the Khomeini wave generated by Iran. Mosques are as crowded with young people as the cafes. Groups of frères musulmans are [illegible] sports clubs, schools, [illegible]manities faculties, especially law, and the traditionally volatile science faculty.

Then there is that thorn on Tunisia's eastern flank, Col. Gaddafy's Libya. Relations have been bad since the diplomatic slapstick of the 1974 merger pact. The two countries are arguing about some hijackers who landed in Tripoli, about an arms cache found on the Tunisian border and about ownership of the Gulf of Gabes oil and gas platform.

A third area of pressure is economic. The Libyan offshore dispute will not be solved by the International Court at The Hague for at least two years, so Tunisia has to fall back on its farm resources. But having 10 times as many olive trees as people does not mean self-sufficiency. The aim is to balance farm trade by 1981, but 1985 would be a safer bet. Agriculture, hit by two years' bad weather, is well below its potential, and for political reasons the Government is unadventurous about agrarian reform.

Exports only cover half of Tunisia's purchases. After slapping on heavy luxury import taxes last year, the Government is planning further measures to slow down consumption. The Prime Minister accepts a reasonable deficit as inevitable at a time when the country is investing. But its new export industries and its growth rate of about 6 per cent a year are seriously endangered by EEC enlargement and possible loss of the most important markets.

This would bring more unemployment, possibly swelled by the return of many of the 200,000 Tunisians now working in France and other EEC countries. These workers will be more demanding than those who stayed at home, and could provide a catalyst for unrest.

People in government are eminently aware of the problems. They can count to a large extent on the success of their social policy, which gives Tunisians advantages over their fellows in most other African or Arab countries. The Government has devoted more than half its budget in the past three years to social spending, which rises at 20 per cent a year.

Last year it launched "civilian service" work camps to absorb the large numbers of unemployed youths. But the malaise that produced mass backing for the 1977 strikes cannot be written off, even if it lacks a champion.

Threat of nuclear disaster recedes

BY DAVID BUCHAN IN WASHINGTON

THE THREAT of a disaster at the damaged nuclear power plant in Harrisburg, Pennsylvania, had greatly receded by yesterday, but Government officials were doubtful whether it would ever generate electricity again, because of the high level of radioactive contamination.

Plant engineers for Metropolitan-Edison, the company which runs the plant, said yesterday that the hydrogen bubble inside the reactor shell had been virtually dissipated, and work could now proceed on shutting the reactor down. But the Nuclear Regulatory Commission (NRC), which is supervising the difficult task, said no decisions had yet been made on the longer-term problem of decontaminating the power station.

Senator Gary Hart, who, as chairman of the Senate Committee on Reactor Safety, has been briefed in detail by the NRC, said that the reactor "might be a $1bn mausoleum. It might be more expensive to clean the plant up than it was to build."

General Public Utilities, parent company of Metropolitan Edison, announced on Monday, after requesting a suspension of trading in its shares on the New York Stock Exchange, that it was halting most construction on its other nuclear sites. The move was made to save money which will be needed to repair the Three Mile Island plant.

The NRC is examining safety at seven plants elsewhere in the country, designed and built by Babcock and Wilcox, the J. Ray McDermott subsidiary which constructed the Pennsylvania reactor. The NRC, which also controls the export of nuclear power plants, said that, as far as it knew, the only Babcock and Wilcox pressurised water reactor sold abroad had been to West Germany.

AP adds from Harrisburg: Mr. Morris Udall, chairman of the House of Representatives Energy Subcommittee, said the contamination inside the containment building was "unprecedented in the history of nuclear power," and was "so bad it will be months before any possible clean-up can begin, if indeed a clean-up is possible.

"Nobody's seen those fuel rods, that's the trouble," Mr. Udall said. "You can't open up the top of the reactor and look in, it's just too badly contaminated in there."

Scientists at the plant were monitoring the sensitive instruments inside the reactor.

"We know many of these systems may be at or beyond, their design performance," said Mr. Karl Abraham, an NRC spokesman.

Pre-school children and pregnant women were still being kept at least five miles away from the plant, an estimated 50,000 people have left the area voluntarily.

Technicians were dissolving the hydrogen bubble by diffusing it into the cooling water piped into the reactor.

They had also activated a "hydrogen recombiner" encased in lead bricks, which helped blend hydrogen and oxygen to form water, drawing more gas from the reactor and speeding the time when the reactor could be brought to a cold shutdown.

A cold shutdown is the point at which the reactor no longer poses any risk of escaping control. Water in the reactor must be brought below boiling point and the pressure relieved.

An NRC official said radiation drifting from the disabled powerhouse had dropped to low levels on site.

Mr. Harold Denton, the NRC operations chief in Harrisburg, said the reactor's temperature had dropped significantly, with only two of the 177 fuel cells over 400 degrees, several hundred degrees below the point at which an explosion becomes likely.

$1.1m to be shipped to Grenada

By Tony Cozier in Bridgetown

THE Eastern Caribbean Currency Authority has reversed an earlier decision and will immediately ship EC$3m (U.S.$1.12m) in notes to the new revolutionary Government of Grenada.

The decision to suspend the shipment had been taken by the West Indies Associated States Council of Ministers. The Council has political responsibility for the currency authority, which serves seven island-states in the Windwards and Leewards

Grenada is technically a member of the Council, but its new Government has not been recognised by any of the other members and has not taken its seat since overthrowing the Government of Sir Eric Gairy on March 13.

Mr. Bernard Coard, Grenada's new Finance Minister, said the notes had been requested almost a month ago by the previous Administration

The shipment had been suspended, Mr. Coard claimed, because the governments concerned wanted to bring about the collapse of Grenada's economy.

"We are insisting on receiving from the other West Indies Associated States Council territories a written as well as a published statement that this and any other attempts at economic dislocation and sabotage will never happen again."

If no such assurance was forthcoming, Grenada would established its own central bank and issue its own currency within a year.

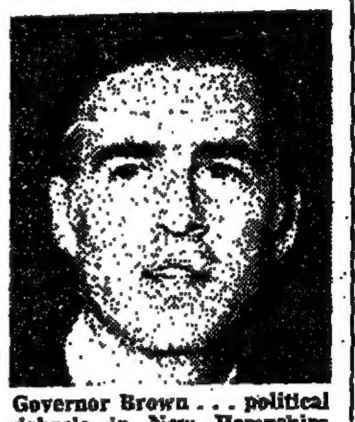
Brown campaigning upsets Democrats

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

The political foray of Governor Jerry Brown of California into New Hampshire on Monday night to promote his national ambitions turned out to be the ultimate in non-events.

Mr. Brown, a Democrat, travelled across the country to New Hampshire, which holds the first presidential primary election next February, in order to testify in front of a State Assembly hearing on the balanced budget proposition, of which he is a leading advocate.

But when he got to Concord, the State capital, he found New Hampshire Democrats up in arms, because the Governor was responding to an invitation from the Republican legislative leadership and because most prominent Democrats in the State are opposed to the mandating the balanced budget by means of a constitutional convention.



Governor Brown . . . political debacle in New Hampshire

So, minutes before he was due to speak, he backed out—for obvious, and acknowledged political reasons. "I need democratic friends in New Hampshire," Mr. Brown observed, though whether he succeeded in mollifying the democratic hierarchy there is another matter.

U.S. airline strike grows

CHICAGO—United Airlines management began making flights from Hawaii to the mainland yesterday, to help out thousands of travellers stranded by a strike against the airline.

Twelve United flights would carry passengers from Hawaii, the airline said. They would end over the weekend, when most of the backlog created by the strike, which began on Saturday, is expected to be cleared.

Negotiators gathered in Washington yesterday, to resume talks aimed at ending the strike by the International Association of Machinists and Aerospace Workers.

United has cancelled all its regular flights and laid off pilots, flight attendants and other employees. AP

Vance fails to soothe poor states

BY A SPECIAL CORRESPONDENT

SEATTLE—President Carter's Administration is attempting to avoid a serious confrontation with developing nations at the fifth UN Conference on Trade and Development (UNCTAD V) in Manila in May.

Mr. Cyrus Vance, the Secretary of State, addressed a weekend international conference here on the "new emerging economic order," attended by senior UN diplomats and international civil servants, as well as nearly a thousand private American and Canadian citizens.

Mr. Vance's speech, which is reported to have gone through 16 drafts, and from which he cut controversial parts during delivery, was not well-received.

Mr. Mahmoud Mestiri, Tunisia's Ambassador to the UN and chairman of the "Group of 77" developing nations, was clearly disappointed about what Mr. Vance and the Administration had to offer the poor nations of the world.

Mr. Mestiri, in the conference's closing speech, explained the frustrations of more than three-quarters of the world's population.

"Today, five years after the UN General Assembly adopted by consensus the call for a new international economic order, the outlook is not bright," he said. "Decisions are being made in rich countries which do not take into consideration the effects of the poor. Most important, there is a dangerous rise in protectionism and many cases where the products of poor countries are denied entry into the markets of rich countries . . . The inability of the rich countries to control their chronic balance-of-payments problems, high and persistent inflation and unemployment, and their reluctance to take action that would deal with the structural deficiencies which are the cause of all this, do not augur well for the future."

While these views from the Third World have been expressed in other forums, Mr. Mestiri's reputation as a moderate does not bode well for the U.S. delegation to UNCTAD V.

"In fact, the Carter Administration does not really have a foreign policy for the Third World. It is just floating, and trying to avoid a confrontation by making minimal concessions to keep a dialogue going. This is just a continuation of Kissinger's policy," one conference organiser said.

He noted that, since the U.S. involvement in Indi-China, there had been no real consensus in U.S. foreign policy, and that non-Government organisations traditionally involved in international affairs, such as world affairs councils in various communities, no longer had any real constituency.

Mexican oil price defended

BY OUR MEXICO CITY CORRESPONDENT

PRESIDENT, Jose Lopez Portillo of Mexico yesterday defended his country's decision to raise its oil prices above the 9 per cent decided by the world's main oil exporters.

The Mexican price increase was higher than OPEC's "only for reasons of transportation," Sr. Lopez Portillo declared. Mexico is not a member of OPEC.

"If we're selling on the world market, it would be absurd for us not to go along with the price that has been established."

While he agreed with many economists who felt the OPEC increases could harm the economies of Western countries, "the developed countries have ways of taking care of themselves because they have other products they can sell at higher prices."

Meanwhile, it was announced that a team of U.S. officials was due to arrive in Mexico City to start the first round of discussions with the Mexican Government on the possible sale of natural gas to the U.S.

Negotiations to sell 1.7m cu ft of gas a day at $2.60 per 1,000 cu ft broke down at the end of 1977 when the U.S. Energy Department vetoed the price agreed between Pemex, the State-owned oil monopoly, and six U.S. gas distribution companies.

Talks are on again after the visit of President Jimmy Carter to Mexico in February. The U.S. and Mexican Presidents agreed then that exploratory

Sr. Lopez Portillo

talks would be held to lay down guidelines for any future negotiations between Pemex and gas distribution companies.

After the 1977 talks broke down, the Mexican Government said it would reverse its policy of exporting gas and would use it all domestically. Only if there was a surplus, would gas be exported.

U.S. State Department and the Energy Department officials will first want to establish what kind of surplus Mexico has before any detailed discussions can be started.

At the moment, Mexico produces about 2.5bn cu ft of gas a day. According to Pemex, only about seven per cent of production has to be flared for lack of use. Unofficially the percentage flared is put higher

Last month, a $787m national gas pipeline linking Cactus in the southern oil fields to San Fernando in the industrial north was opened.

The Government claims it can use all its gas for industrial and home use, but observers believe that as Pemex pushes up its oil production, which now stands at 1.5m b/d, so the amount flared will increase.

Officially, no mention has been made of what the asking price might be this time, but in private it is said the Mexican Government is thinking of $3.15 per 1,000 cu ft.

Both sides have said there is no urgency to reach agreement over a sale. The U.S. has a temporary gas surplus at the moment, and Mexico has yet to work out what its long-term surplus might be.

Party mends its image—50 years on

By William Chislett in Mexico

MEXICO'S ruling institutional revolutionary party (PRI) is celebrating its 50th anniversary in power and using the occasion to try to improve its image. But few people believe that the PRI's changes are anything more than an attempt to retain power for another 50 years.

Although the party has given Mexico political stability, reduced the influence of the military, and enabled substantial economic growth to take place, it has been at a high social cost. A large part of the population is now alienated from the PRI.

The party professed democracy and under the presidency of General Lazaro Cardenas, there were genuine democratic reforms in the 1930s, but since then the PRI has become an appendage of the Government and the instrument of the political bureaucracy.

The liberal magazine Proceso depicted the 50th anniversary in a cartoon which showed a fat high society woman wearing a dress in the PRI colours with her arm around a skeleton revolutionary figure and on the point of cutting a golden wedding cake.

Bigger Congress

The PRI has won all elections for President, State Governor and Senator since 1929 and at present holds 196 of the 197 elected seats in the Congress. Through a system of minority representation 41 Opposition deputies also sit in the Congress.

Some changes are afoot in preparation for July's Congressional elections when Left-wing Opposition parties will go to the hustings for the first time. The number of seats in the Congress will increase to 300 elected directly from constituencies and another 100 through proportional representation.

But the most noticeable change is that Sr. Jose Lopez Portillo, the Mexican President, recently got rid of Sr. Carlos Sansores Perez, the PRI president, and replaced him with Sr. Gustavo Carvajal.

Sr. Sansores Perez, nicknamed the "dark angel" because of his swarthy features, was doing the Government's political reform image no good with his sledgehammer approach. Just before he left office he declared that the Opposition parties were "scavengers of discontent."

Sr. Sansores Perez, aged 61, was a PRI president of the old style, making bombastic speeches with ritual references to the revolution. He was hardly on speaking terms with Sr. Jesus Reyes Heroles, the Interior Minister, who was the architect of the political reforms.

Most presidents have had their man as PRI President before they have completed two years in office, but it has taken Sr. Lopez Portillo longer.

Good intentions

Sr. Carvajal, aged 39, is full of good intentions. He realises that whole the PRI has given Mexico an unprecedented period of stability, it cannot last for ever. The country's oil wealth has raised the expectations of Mexicans, who want more political freedom and a more just society. Unemployment and underemployment are over 4 per cent and the gulf between rich and poor is vast.

Like his patron, Sr. Lopez Portillo, Sr. Carvajal is a conservative pragmatist. He understands that the confidence of the people, many of whom now abstain from voting, has to be won back.

Sr. Lopez Portillo has broken with some of the PRI's old habits, such as their efforts to buy off Opposition figures with tempting offers of jobs within the system. But accusations persist that the PRI still wins elections by vote rigging.

Sr. Carvajal stresses that he has come to the job with "clean hands," but his relative political inexperience could be his downfall.

The leaders of the new Opposition parties are adamant that nothing will change. "A political cacique (boss) has been replaced by an inexperienced technocrat," said one of them. "The system remains the same."

WORLD TRADE NEWS

GATT NEGOTIATIONS

Discord still threatens deadline

BY BRIJ KHINDARIA IN GENEVA

CONTINUING DISPUTES between developed and developing countries on some key elements of the Tokyo Round trade package have cooled optimism here that the negotiations will be concluded before Easter.

A sharp confrontation is expected, for instance, over a proposed code to regulate and facilitate customs valuation procedures.

A code drawn up by developed nations lays down a step by step procedure to allow customs authorities to evaluate imported goods in order to calculate customs duties.

Under this system the invoice value would in most cases be accepted by the authorities. Where there is doubt about the accuracy of the value stated in the invoice customs authorities would move progressively through a series of valuation methods. They would begin on the basis of the value of identical goods, and if that were not possible would use the value of similar goods.

If none of these methods were practicable they would use a "deductive value" based on the selling price in the importing country minus costs added on after importation. Alternatively, they might choose to use "computed value" based on a computation of production and transport costs.

This version of the code would oblige customs authorities to apply the step-by-step procedure of valuation to all cases except transactions between related companies, such as those between a subsidiary and its foreign parent. If the customs authorities refused to accept the invoice value these related companies would be allowed to chose the method of valuation.

Developing countries have raised strong objections to this flexibility. They say the code is biased towards multinational corporations who refuse to disclose their transfer pricing structures and often under-invoice goods produced by a developed country parent on the ground that similar goods produced by a poor country subsidiary are much cheaper.

The dispute has taken such serious proportions that the developing countries have tabled their own separate version of the customs valuation code.

It is now likely that one of the two versions will have to be chosen by vote by Tokyo Round participants. If the developing country version is chosen, it is possible that the developed nations may still not sign it.

Another major dispute has emerged over the proposed code on subsidies and countervailing duties. This code contains a list of practices defined as subsidies to boost exports and a separate list of examples of subsidies given for domestic reasons but which could indirectly boost exports.

Developing countries argue that in their case the list of export subsidies should be less restrictive because they give subsidies to offset disadvantages rather than to enhance any advantages.

In addition the developing countries want to ensure that government ownership is not listed as a domestic subsidy, because such ownership is generally used by developing countries to undertake infrastructure and other investments beyond the reach of local private enterprise.

A small but important difference concerning the proposed government procurement code also remains. Here the developing nations want the freedom to demand transfer of technology, in the form of licences, in return for opening up government purchases to foreign suppliers on an equal basis with domestic suppliers. But the U.S. is understood to be against extending the planned code's provisions.

Tokyo lifts procurement offer to U.S.

TOKYO—Japan is prepared to make a new offer in U.S.-Japan trade negotiations by raising its annual Government purchases from foreign suppliers to between $6bn and $6.5bn (£3-£3.25m), Government officials say.

In talks held in Washington last week, the U.S. rejected a Japanese proposal to open up about $5bn of its national procurement to foreign suppliers.

The new offer followed a Cabinet meeting where Mr. Nobuhiko Ushiba, the Japanese trade representative who met in Washington last week with Mr. Robert Strauss of the U.S., said a new offer was needed to break the deadlock on the trade talks.

Mr. Sunao Sonoda, the Foreign Secretary, will meet officials in Washington in the next few days to sound out U.S. reaction to the new Japanese procurement offer.
Reuter

Textile producers seek 'robust' support from EEC

BY RHYS DAVID

THE EUROPEAN textile industry, which is due to meet the EEC Commission next month for talks on an industrial strategy for the sector, is likely to put on the table a number of key points on which it wants satisfaction as its price for constructive co-operation.

In particular, the industry is to press the EEC to follow the robust approach adopted by the U.S. Administration which has given a commitment of continued support to its textile producers. A similar statement from the Commission is seen as essential if producers in Europe are to escape from the present uncertainty which surrounds mid-term and long-term contracts.

The industry also wants assurances that it will not be used as a bargaining centre for the benefit of other industries, notably the capital equipment industry, with textile imports being traded off in return for sales of plant and machinery to developing countries.

The industry's position was outlined yesterday in a speech to the British Textile Confederation by M. Marc Santins, the Belgian President of the Comitextil, the organisation representing EEC producers.

He said Comitextil believes an industrial policy for the sector must rest primarily on commercial decisions taken by individual firms. The Commission's primary role was to provide a trading environment in which individual firms could take long-term management decisions with confidence that there would be continued order and balanced opportunity in world trade.

Mr. Santins said, "The industry believes that it is pointless to speak of free trade in textiles because the freedom that exists is a one-way traffic. The Community should do everything in its power to obtain worldwide reciprocity."

KLM joins Airbus orders list

By Michael Donne, Aerospace Correspondent

KLM Royal Dutch Airlines is to buy 10 A-310 Airbuses, worth about Fl 1bn (about £238m), with an option on 10 more.

The order, announced from The Hague yesterday, follows Monday's decision by Lufthansa to buy 25 of the A-310 version of the European Airbus, with an option on another 25.

The KLM order brings to 270 the number of Airbuses of all versions on order, of which 173 are firm contracts and 97 are options. The A-310 is the smaller, 200-seat version of the 250-seat A-300 Airbus.

KLM's aircraft will be delivered from 1983, when it will receive four A-310s, with the remaining six being delivered in 1984 and 1985.

The aircraft will replace the airline's McDonnell Douglas DC-8s and DC-9s on short- to medium-range routes.

Airbus Industrie, the European consortium in which the UK now has a 20 per cent Government stake, is negotiating further orders for both the A-300 and A-310 Airbuses in several parts of the world.

Danish shipyard seeks aid to avoid closure

BY HILARY BARNES IN COPENHAGEN

BURMEISTER AND WAIN is appealling to the Danish Government to use development aid funds to help finance ship orders from Burma and the Sudan. Mr. Poul Madsen, company chairman, said that the shipyard, which until 1974 was Copenhagen's largest single work place, will have to close if the orders cannot be obtained. The yard today has a labour force of 1,600.

Mr. Arne Christiansen, Minister of Commerce, said that the government will consider the problems facing Danish shipyards at a meeting on April 25 and will announce its policy at that time.

So far the Danish government has provided virtually no direct aid to the shipyards, although at the end of last year it improved the credit facilities available to Danish owners placing orders at Danish yards and it has on one occasion before used development aid to finance an order.

However, the Foreign Ministry is not enthusiastic about the use of development aid for this purpose, partly because in principle it prolongs the world shipbuilding crisis.

Two other shipyards, Elsinore and Aalborg, have also announced that it will be necessary to make major manpower reductions by the end of this year. Elsinore said it will have to dismiss 900 of the 1700 workers and Aalborg has plans to dismiss 1100 of its 2,000 workers if no new orders can be found.

Mirage deal may be delayed

CANBERRA—French hopes of selling Australia about 50 Mirage 2000 fighters worth $1bn (£460m) could be barmed by the European Economic Community's delay in answering Canberra's demands for better access for Australian exports to European markets, Government officials said yesterday.

Australia sent a warning to the French Government earlier in the week after an Australian Air Force team arrived in Paris to inspect the aircraft.

The French fighter is one of four aircraft under consideration by Australia to replace about 100 outdated Mirages, which comprise Australia's only specialist fighter defence force.

The EEC is expected to reply this week.
Reuter

Franco-Soviet trade brightens

BY DAVID SATTER IN MOSCOW

THE VALUE of Soviet-French trade fell 7 per cent in 1978, but there were prospects for better results this year in anticipation of the visit to Moscow in three weeks of Mr. Valery Giscard d'Estaing, the French President and the signing of at least one major Soviet-French contract following his visit.

Figures released by the French embassy showed that Soviet-French trade last year had a value of FFr 12bn (£1.3bn) compared with FFr 13bn in 1977. The fall was largely accounted for by an 11 per cent decline in the value of French exports, which had a value of FFr 6.5bn in 1978 compared with FFr 7.3bn the previous year.

The value of French imports from the Soviet Union also declined, although by only 3 per cent, in 1978, to a value of FFr 5.5bn from FFr 5.6bn in 1977.

Totals for trade between the Soviet Union and France, which set themselves the goal of trebling turnover in 1975-79 compared with the previous five-year period, may rise sharply, however, in 1979.

French commercial officials said deliveries will begin this year on the FFr 2bn Technip contract for aromatics factories in Ufa and Omsk, which was signed in late 1976, and the bulk of deliveries will be made on the FFr 1.2bn contract for an aluminium plant at Nikolaevsk, which was signed at about the same time.

The first three months of this year have witnessed the signing of a number of major Soviet-French contracts including $100m telephone equipment contract won by Thomson CSF and the FFr 80m contract won by Sodeteg for the supply of a data processing system to the Soviet news agency Tass.

Negotiations are going on presently between the Soviets and a consortium headed by Creusot-Loire for the construction of a factory for the production of small diameter pipe using the extrusion method. The contract could be worth about FFr 500m for the French participants and might be agreed by the time Mr. Giscard d'Estaing arrives here April 26.

● ASEA, the Swedish heavy electrical engineering group, has received an order worth SKr 200m (£22.3m) to supply electrical equipment for the Soviet steel mill forming part of the "electrometallurgical complex OEMK," writes John Walker in Stockholm. The mill is under construction near Kursk, about 50 miles north of Moscow.

Brazil's deficit increases

BY DIANA SMITH IN RIO DE JANEIRO

BRAZIL'S TRADE gap continues to widen. Figures released yesterday show that in February, imports totalled $1.01bn and exports $950m incurring a $60m deficit.

The accumulated deficit for the first two months of 1979 has thus increased to $255m. By the end of 1978 the trade gap had widened to $988m.

Oil imports of $700m for the first two months of 1979 represented 31.6 per cent of all imports compared with 35.5 per cent in January-February 1978. However, the political crisis in Iran, Brazil's second largest source of foreign crude, artificially reduced the influx by 150,000 barrels a day. Resumption of Iranian supplies this months as well as the impact of the OPEC price increases are expected to turn Brazil's imported oil bill into an even heavier factor in the trade account this year than it was in 1978.

Compared with January-February 1978 Brazil's exports have risen by 20.9 per cent to $1.96bn. Imports rose by 12.5 per cent to $2.22bn. The Government has not given a breakdown of imports for early 1979 but it is known that essential foodstuffs, where domestic supplies were disrupted by drought and floods in January and February, are being imported in increasing quantities.

Jordan fertiliser plant contracts

BY RAMI G. KHOURI IN AMMAN

FIVE CONTRACTS will be awarded over the next six months to cover nearly all the remaining work on the $300m (£145m) chemical fertiliser plant being built at the southern Jordanian port city of Aqaba.

The first of the contracts, scheduled to be awarded this month, covers transport to Aqaba from Europe and North America of the mechanical equipment for the fertiliser complex, which will process 1.3m tons of Jordanian raw phosphate rock annually into 740,000 metric tons of diamonium phosphate and 105,000 metric tons of phosphoric acid.

Other bids also being evaluated are for construction of a sea water intake and cooling system for the fertiliser complex; and for an international firm to be set up and, initially, run the worldwide markeing operation of the Jordan Fertiliser Industry Company (JFIC). The last two awards are for the installation of all mechanical and electrical works for the complex.

Dr. Mahmud Mardi, general manager of JFIC, said the four contracts, excluding the marketing deal, would be worth over $100m.

As for JIFC's marketing contract, five bidders are being considered. They are: Fisons of Great Britain, Mitsubishi of Japan, Woodward and Dickerson of the U.S., International Ore and Fertiliser of the U.S. and Metalgesellschaft of West Germany. Both Woodward and Dickerson and Mitsubishi already have reached preliminary agreement to act as international marketing agents for the Arab Potash Company, which is now building a plant on Jordan's Dead Sea.

Zublin of West Germany is undertaking the construction of the allied port facilities at Aqaba. Spie Batignolles of France is general contractor for the project.

Indonesian gas expansion plans

JAKARTA—Final agreement on the expansion of Indonesia's liquefied Natural gas plant in Bada, East Kalimantan, may soon be reached with Japanese investors, Mr. Piet Haryond, the president-director of Pertamina has announced.

He said the only obstacle remaining is to convince Japanese investors there are large natural gas reserves in East Kalimantan.

The reserves are believed to be large enough for a continuous supply lasting 20 years and equalling total deposits of 3.8 trillion (million million) cubic feet. Surveys are currently being conducted by Degolyer and MacNaughton of the U.S.
Reuter

Renault tops car imports to Britain

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

RENAULT of France overtook Datsun of Japan in the first quarter of 1979 for imports of "traditional" cars into Britain.

The French group intends to maintain that position and win 7 per cent of the UK market by 1980.

Renault has been helped by a free supply of vehicles—whereas restricted shipments have meant short supplies of Datsun cars. Rapid introduction of new models to the British market has also helped.

Renault is to launch two versions of its best-selling Renault 5 range in Britain today. Top of the range is the *Gordini*, with a 1,400 cc engine. The retail price is £4,148.

The second model is a version of Le Car, with which Renault is spearheading its U.S. marketing effort. Only 1,000 of this "limited edition" car will be sold in Britain. The price is £3,348.

The launch of Le Car follows closely the UK launch of the R18, mid-range model which has taken 2 per cent of the new car market in March, its first full month on sale.

Another significant addition to th UK Renault range is expected later this month.

Last year 69,627 new Renault cars were registered in Britain and this year the total will be about 83,000, according to Renault UK.

Of the 1979 total about 23,000 should be Renault 5s, including 2,000 Gordinis.

The Renault 5 was launched in Britain in 1972. At that time only three manufacturers offered three-door hatchbacks and sales totalled 17,000. By the end of last year sales in the UK had increased to 205,000 and there are now 12 major manufacturers competing in the hatchback market.

Unsold Concorde will be given to British Airways

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is to be given one of the two remaining unsold Concordes off the UK assembly line, bringing its fleet to six aircraft.

But a decision on the second aircraft is being deferred, to allow further talks on its possible use by British Caledonian Airways.

Mr. Eric Varley, Secretary for Industry, told the *Commons* yesterday that the aircraft for British Airways would be governed by the same new financial conditions which, as recently announced, are being applied to the airline's five other Concordes.

This means that the aircraft will go to British Airways "at a minimal cost," but that 80 per cent of any profits it earns will go to the Government, with the airline retaining the other 20 per cent.

The second unsold aircraft is being sought by British Caledonian, for use primarily on its proposed North Atlantic route between Gatwick and Atlanta, Georgia, via Gander, Newfoundland.

British Caledonian's original financial proposals for this were not acceptable to the Government, however, and more talks are to be held to find an acceptable formula.

Mr. Varley said that the Government believed that Concorde could generate operating surpluses that would rise substantially over its working life.

"We have therefore concluded that the right course is to place the two aircraft in a way which will maximise the total operating surplus of British-assembled Concordes, and which will assure for the Government the major part of the operating surpluses generated by the two aircraft."

Mr. Varley said the plans for disposing of the two aircraft would need the financial and logistical support of the French Government and Aérospatiale; the French builder of Concorde.

At the same time, the French will need UK co-operation eventually in disposing of the three unsold Concordes off the French assembly line.

"These and other Concorde issues are scheduled for discussion between British and French Ministers at an early date," he added.

Postal charges to increase soon

BY JOHN LLOYD

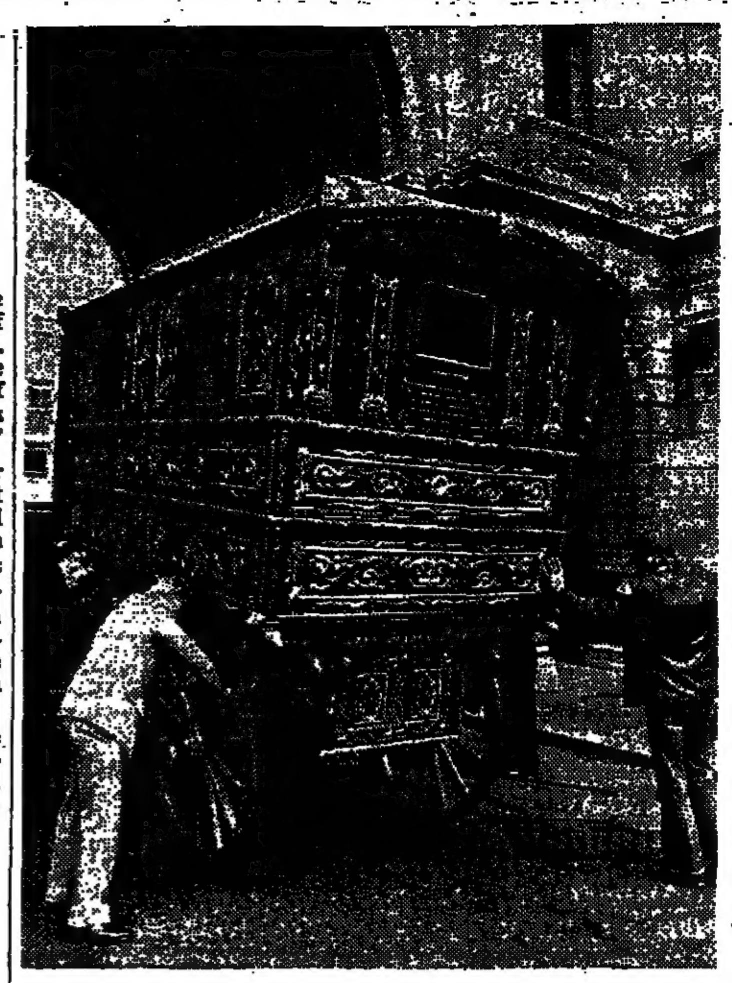
THE POST OFFICE said yesterday that post costs will have to rise within three to four months.

The new prices will be related to the cost of the postmen's wage settlement.

If the postmen accept the offer of 12 per cent, *as is widely* expected, then wage costs would increase by between £80m and £100m. The Post Office calculates that a 1p increase on letters would yield around £80m, and that is the most likely increase.

Postal price rises must be approved by the Price Commission and by the Post Office *Users National Council, and* neither have been approached by the Post Office. The period between application and the increase is usually three months.

The wages settlement will have no effect on the postal business profits for the past financial year which ended on March 31. The Post Office is expected to show a profit of about £30m, *or on the target* of 2 per cent return on a turnover of about £1.5bn imposed by the Government.



This fairground caravan, arriving yesterday at the courtyard of the Royal Academy, is to form part of an exhibition to celebrate the 200th running of the Epsom Derby. The caravan, built by Duntons of Reading in 1905, is typical of the sort which used to converge on the racecourse.

The Epsom classic, founded by the 12th Earl of Derby in 1780, has lent its name to nearly 200 races in many parts *of the world. The exhibition, sponsored by Coutts and Co.,* the Financial Times, Moet and Chandon (London) and Sotheby Parke Bernet and Co., opens tomorrow and lasts until July 1.

£175,000 for picture by Millet

SALEROOM

BY ANTONY THORNCROFT

AFTER THE extremely successful evening auction of Impressionist pictures at Sotheby's which bought in £5,394,500 and auction record prices for Corot, Van Dongen and Magritte, there was another good Impressionist sales yesterday at Christie's, *totalling £1,382,000.*

The top price at Christie's was the £175,000, plus the 10.8 per cent buyer's premium, paid by the London dealer Tan Bunzl for *Raysannes au repos* by *Millet*, painted around 1850. JPL Fne Arts acquired *La Toilette* by Degas for £70,000—and Agnew broke the auction *record for a Henri* Fantin-Latour by paying £55,000 for a still life of flowers and fruit.

In the afternoon session three works sold for £22,000 each—*Femme se peignant* by Degas, *Italienischer*, a watercolour by Paul Klee, and *Composition Lyrique* by Kandinsky. As usual these days, the more pictorial late 19th-century works found buyers more easily than the abstract compositions of the 20th century.

The art and ethnography auction at Christie's brought in £74,170.

Air Wales suspends Brussels service

BY ROBIN REEVES, WELSH CORRESPONDENT

AIR WALES, the Cardiff subsidiary of D. K. Aviation, is to suspend its Brussels-Cardiff service indefinitely from the end of the week because of mounting financial losses on the route.

The move, which will involve staff redundancies, follows unfruitful talks with the Welsh Development Agency, the Development Corporation for Wales, and EEC officials. These talks failed to secure additional financial support for the company.

The move is a significant blow to the company's development plans. The twice daily Brussels - Cardiff service, inaugurated less than a year ago, formed a key element in Air Wales's bid to build a network linking with international airline services operating out of Brussels.

Mr. David King, Air Wales chairman, emphasised yesterday that the company was not in financial difficulties, but it could no longer justify "huge losses" on the Brussels route without extra support.

Mr. King announced, however, that there would be more weekly flights on the company's other main route — between North and South Wales — and said the airline was continuing to explore the possibility of additional services within Wales. The Welsh Development Agency said that it was continuing discussions of the funding of the company's future services within Wales.

Petrofina introduces arbitration scheme

BY OUR CONSUMER AFFAIRS CORRESPONDENT

OPERATORS of petrol stations owned by Petrofina can appeal to an independent arbitrator if the company terminates or refuses to renew their licences, the Office of Fair Trading said yesterday.

Petrofina has told Mr. Gordon Borrie, director general of Fair Trading, that it will operate an arbitration scheme for its 80 outlets as part of a code of practice setting out the operating standards for the company and its licensees. Similar schemes were introduced by BP, *Shell, and Total last* year.

Arbitration schemes were agreed by the major oil companies three years ago after talks with the OFT. The oil companies agreed that—except for short-term contracts—an oil company should not grant licences unless an arbitration scheme was operated.

Great Universal Stores raises advertising budget

BY MICHAEL THOMPSON-NOEL

GREAT UNIVERSAL STORES, one of Britain's biggest advertisers, is planning a significantly higher advertising budget this year.

The expenditure, concentrated mainly in the national Press, will total £9m, compared with just under £7m last year.

Mr. Harold Bowman, the assistant managing director, said last night that the higher budget reflected a more aggressive marketing strategy as well as higher advertising rate costs.

It will be shared by the four major divisions: Mail order, £5m (Kays, GUS, John England, John Noble, Trafford, Family Album and Marshall Ward); household stores, £2.25m (Cavendish-Woodhouse, Times, Aston and Art Wallpapers); multiple stores, £1.5m (Burberrys, Scotch House, Hector Powe, Willerbys, Houndsditch Warehouse and Thoms); travel, £250,000 (Global Tours).

Stock Exchange Council go-ahead for Talisman

FINANCIAL TIMES REPORTER

THE STOCK EXCHANGE Council yesterday gave the go-ahead for Talisman—the exchange's computerised settlement system—to go live from next Monday.

The system will start with 214 securities of 49 companies. These have been selected from securities handled by nine of the biggest registrars in terms of transfer volume, and represent about 10 per cent of the securities likely to take part in Talisman.

The registrars involved in the launch of the system are Barclays Bank, Granby Registration Services, Hill Samuel Registrars, ICI, Lloyds Bank, Midland Bank, National Westminster Bank, Ravensbourne Registration Services and Royal Bank of Scotland.

The managers of Talisman intend to add further registrars to the system in various tranches. If all goes well, 90 per cent of market traffic should be settled through Talisman by the year end.

Transactions in the following companies' securities are expected to be settled through Talisman from the first day:

Advance Laundries, Associated Engineering, Astra Industrial Group, Bamfords, Barclays Bank International, Barclays Bank, Bass, Beecham Group, BICC, Blue Circle Industries, Boosey and Hawkes, Bridon, Brocks Group, Burton Group, Carrington Investments, Carrington Viyella, Dalgety, Decca, Dowty Group, Drayton Commercial Investment *Company, Drayton* Consolidated Trust, Drayton Premier Investment Trust.

Dunlop Holdings, Gibbons Dudley, Guardian Royal Exchange Assurance, Higgs and Hill, *Imperial* Chemical Industries, John James Group of Companies, Kalamazoo, Lex Services Group, Lindustries, F. H. Lloyd Holdings, London Brick, Marley, MEPC, Metal Box, National and Commercial Banking Group, Phoenix Timber, Piccadilly Theatre.

William Press, Redman Heenan International, Sheepbridge Engineering, "Shell" Transport and Trading, Tesco Stores, Thorn Electrical Industries, UDS Group, United Biscuits, Vickers, Viners.

In the case of ICI, only the 8 per cent Unsecured Loan stock will take part in Talisman from the outset. *All* other ICI securities will be dealt with under the existing system. The other companies listed above will have all their securities on Talisman from day one.

UK NEWS

ICI plans 25% cut in dyes sector

BY SUE CAMERON, CHEMICALS CORRESPONDENT

Imperial Chemical Industries yesterday spelt out plans for reducing its hard-pressed organics division—a 25 per cent cut in fixed costs over the next two years involving the loss of 1,650 jobs by 1981, with a further 1,500 jobs by 1985.

The cuts had been forced by a "serious downturn in the division's business which had occurred rapidly through influences outside our control."

The main reasons for the poor performance of its organics sector were:

● The spiralling costs of raw materials and wages.

● The world economic recession—particularly in textiles.

● Overcapacity and intense international competition.

● Low product prices.

● An "artificially strong sterling and relatively weak U.S. dollar" which hit the profitability of the division's exports.

● The fashion for paler shades in women's clothing which "further depressed" demand for dyes.

Mr. Syd Bluxton, chairman elect of ICI's organics division, said yesterday that the 25 per cent target cut in fixed costs would mean "a very tough battle indeed" over the next two years.

But he stressed that there would have to be even bigger reductions in jobs if the division failed to achieve the planned cuts.

ICI said its organics division, which produces dyestuffs, pigments, biocides, polyurethane chemicals and speciality chemicals, had been running at a loss for the past five years.

It was "particularly concerned" about the way manpower costs had risen as a percentage of added value. In 1974 manpower costs accounted for 44 per cent of the division's added value but by last year the figure had gone up to 72 per cent.

Most of the 25 per cent cost cuts will be made by reducing the division's 10,780-strong workforce. ICI said it proposed to cut 900 jobs from the division's headquarters and a further 750 from its plants. These cuts were "essential" if the division was to balance its cash flow by 1981.

The group repeated earlier statements that there would be no enforced redundancy except as a last resort. It was hoped that much of the necessary cuts could be achieved by turnover, natural wastage and redeployment. Recruitment was to be "strictly controlled."

The organics division said that its dyestuffs business had been particularly hard hit during the past four years. ICI is the biggest dyestuffs producer in the UK, with dye accounting for 35 per cent of the division's business.

There had been a boom in dyestuffs in 1974 and many leading producers had increased their capacity.

ICI had spent £18m on a new plant—due to come on stream later this year—designed to raise the division's chemically reactive dyestuffs capacity by 40 per cent. But there was now a serious overcapacity in the field.

As a result, there had been a "terrific squeeze" on dyestuffs profit margins. The weak U.S. dollar had also affected profits as ICI exported about 80 per cent of its dyes, with 40 per cent of its invoices being in dollars.

It estimated that the cost of dyestuff raw materials—such as benzene, toluene and naphthalene—had risen by about 25 per cent during the last year. But the group has been unable to recover its increased feedstock costs through higher prices.

Moreover, dyestuffs production tends to be comparatively labour intensive—partly because plants needed to be replaced only on a long, 30 to 40-year cycle. New, automated plants could be introduced only if profitability was maintained.

But ICI felt that this summer's fashion for brightly coloured women's clothes could increase the total business of its organics division by as much as 10 per cent.

Small firms advised to offset VAT refunds

By Paul Taylor

THE ALLIANCE of Small Firms was yesterday urging companies owed Value Added Tax refunds—delayed by the Civil Service computer strike—to offset the refunds against PAYE tax payments. The move follows the Government's apparent acceptance of the temporary arrangement to ease cash-flow problems facing some small businesses.

Such an arrangement is understood to have been operating on an informal basis with local tax offices during the four-week selective strike action by Civil Service computer staff which has hit the Customs and Excise Department VAT computer at Southend.

The alliance, formerly the Association of Self-Employed People, pressed for official recognition of the cash-flow problems caused to some small businesses owed VAT refunds after Mr. Gordon Bridgman, an Essex builder and the alliance's South-East organiser, succeeded in winning a test case against his local tax office.

However it was not until last Thursday that the Government appeared to approve the arrangement.

Commons reply

Mr. Robert Sheldon, Financial Secretary to the Treasury, in the reply to a Commons question said that Inland Revenue collectors "would not take any precipitative action" against companies which offset VAT refunds against tax payments where there was a genuine temporary difficulty in paying.

Mrs. Teresa Gorman, general secretary of the alliance, said she was "delighted" by the statement described it as a victory for her group.

She said the alliance would be advising all its members to discount VAT refunds against tax payments in the light of Mr. Sheldon's answer.

Closure of the Southend VAT computer has frozen about £41m a week in VAT repayments causing increasing problems for small companies which are VAT zero rated.

Mrs. Gorman said that the alliance has also been in touch with a number of local authorities who have similar problems on services which are zero-rated.

Drop in retail sales more than expected

BY DAVID FREUD

RETAIL SALES are running at a significantly lower level than previously estimated, although the figures are still seriously distorted by the winter's industrial disputes and bad weather.

The Department of Trade yesterday announced revised sales figures for February which were more than a full percentage point lower than the provisional estimate given last month.

Within the total, sales by food shops—which had risen sharply in January due mainly to fears of food shortage at the time of the lorry drivers' strike—fell by 6½ per cent. At the same time, sales of consumer durables—which slumped in January—made a full recovery.

The final index of the volume of retail sales was 110.4 in February (1971=100, seasonally adjusted). This is well down on the provisional estimate of 111½ and while it was 0.7 per cent above the depressed January level, it was significantly lower than the average of 111.2 in the second half of 1978.

Food sales were expected to drop after the 2.5 per cent rise between December and January. However, the size of the decline in February has surprised and disappointed retailers.

Sales of durables dropped from an index level of 137 in December to 127 in January—a fall of 8 per cent. However, there was a full recovery in the index in February.

This has not been the case in sales of clothing and footwear and from other non-food shops, where the January decline was not fully recovered in the following month. However, sales are likely to have been affected by the continuing bad weather in February.

Taking a longer-term comparison, sales by food shops rose 2.2 per cent in the December-February period compared with the previous three months. Sales of consumer durables were 1 per cent higher and those of clothing and footwear up 3 per cent, while sales from other non-food shops were down 1 per cent.

Mr. Richard Weir, director of the Retail Consortium, which represents a wide range of store groups, said the figures were disappointing.

The consortium had expected the increase in consumer spending of last year to continue in the early months of 1979 before a turn-down later in the year. However, continuing uncertainty and bad weather seem to have depressed demand.

HIRE PURCHASE CREDIT AND RETAIL SALES

(Seasonally adjusted)

	New credit extended by			Retail volume (revised)	
	Finance Houses	Retailers	Total debt outstanding (unadjusted)	Total	Durable goods shops
	£m	£m	£m	(1970=100)	
1976 1st	—	—	—	105.9	117
2nd	—	—	—	106.7	122
3rd	—	—	—	107.2	125
4th	—	—	—	106.1	126
1977 1st	—	—	—	103.3	115
2nd	595	507	4,205	102.4	118
3rd	657	546	4,482	104.2	121
4th	736	542	4,791	104.7	122
1978 1st	809	564	5,053	106.4	124
2nd	901	605	5,496	107.9	129
3rd	894	647	5,810	110.7	134
4th	958	618	6,211	111.7	134
September	304	212	5,810	109.6	133
October	306	202	5,969	110.2	132
November	344	217	6,140	110.5	132
December	308	199	6,211	113.8	137
1979 January	300	225	6,236	109.6	127
February	311	220	6,316	110.4	137

Source: Department of Trade

Oil companies act on Sullom Voe pollution

BY SUE CAMERON

THE MAJOR oil companies have agreed to take tougher measures against tankers that pollute the the area round Sullom Voe by discharging ballast water into the sea. As a result the Shetland Islands council has decided not to implement a threat to close the Sullom Voe oil terminal.

The 30 oil companies using the terminal said yesterday that they had taken further steps to stop pollution "which go far beyond statutory obligations and maritime conventions." They added that the new measures created a "positive financial disincentive to the infringement of existing laws" and greatly increased the safeguards against the crude tanker pollution.

The new rules will require tankers to keep all cargo ballast on board until they are 300 miles away from any coast.

Any tanker arriving at Sullom Voe terminal with less than 35 per cent ballast will not be loaded. The reason for this is that some tankers are thought to have been discharging their ballast just outside Sullom Voe so that they could take on more oil.

Ballast water treatment facilities at the terminal are not due to be finished until the end of this month at the earliest, so that tankers are having to take their ballast with them on outward trips.

Companies chartering tankers will cancel the charters if these regulations are ignored. Buyers of crude oil from the terminal will have to observe the new rules as part of their sale contracts.

British Petroleum, operator of the terminal, has been authorised to delay or suspend oil loading if it has any grounds for believing that a tanker is failing to comply with the new rules. BP will also be able to force a tanker to vacate her berth if it thinks illegal proceedings may be instituted against her master or owner.

£292,000 salary for insurance broker

Financial Times Reporter

A DIRECTOR of the Lloyd's of London insurance brokers Alexander Howden, working in the U.S., was paid £292,756 last year.

The details are disclosed in the group's latest accounts. The director, Mr. B. J. Daenzer, is remunerated by a profit-participation scheme. His remuneration last year was a sizeable reduction on his previous year's earnings of £426,188.

Another director in the UK, Mr. I. Posgate, a leading Lloyd's man who underwrites for one of the largest syndicates at Lloyd's, received £143,483.

In the previous financial year Mr. Posgate is understood to have received about £87,000. The chairman of Alexander Howden in the last financial year received £50,178, compared with £45,919 the previous year.

Among other high earners, the latest reported salary of Lord Grade, chairman of Associated Communications Corporation, was £210,428.

Company reports Page 23

Scotswood faces 230 redundancies

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

ABOUT 230 workers at the Vickers Scotswood plant, Newcastle-upon-Tyne, will be made redundant on Friday after a meeting of management and union representatives chaired by Mr. Leslie Huckfield, junior Industry Minister. It failed to agree on proposals for keeping the plant open.

The meeting was the first at which Government, management and unions had been represented since Vickers announced in January its intention of closing Scotswood.

Mr. Huckfield said that Government assistance could be made available if the plant was kept open, and that Vickers could claim further aid under the new short-time working scheme being introduced by the Government.

A statement from Vickers yesterday said that closure of the plant, fixed for the end of June, would go ahead as planned, but that management continued to be prepared to meet the unions on alternative proposals.

Shop stewards at Vickers' North-Eastern plants voted to continue supporting the campaign to save Scotswood. This includes the refusal by the workers to release completed work at Scotswood, including car presses for Ford's Halewood plant and a dynamometer for China.

Proposals at the tripartite meeting by the union delegation, led by Mr. George Arnold, AUEW, included a management-union working party to consider an economic audit on Scotswood prepared for the campaign committee by Sussex University.

The report says that Scotswood could return to profit on the basis of its existing product range if sufficient investment were made there. Vickers management, however, is believed to consider the report over-optimistic.

Vickers was asked to reopen its order books at Scotswood and guarantee that the plant was kept open for a year after a third of the work force accepted redundancy at the end of this week.

Mr. Jim Hendin, chairman of Vickers Engineering, and Mr. Noel Davies, joint managing director, refused the requests.

Government backing of £232m for RB-211

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A FURTHER £232m support for development of the Rolls-Royce RB-211 engine in its various versions was announced by the Government yesterday.

The Dash 22 version of about 40,000 lbs thrust gets another £14m. This engine is used in the basic version of the Lockheed TriStar.

The Dash 524 version, of 50,000 lbs thrust, gets £26m. This engine is used in the Boeing 747 Jumbo jet and long-range versions of the TriStar.

The biggest share of the cash, £192m, is earmarked for other developments. These include mainly the new Dash 535 version of the engine, of 32,000 thrust and upwards, for use in the new Boeing 757 twin-engined short-to-medium range airliner which has been ordered by British Airways and Eastern Air Lines of the U.S.

Part of the £192m will also be used to help develop the Dash 524 to higher thrusts, up to 55,000 lbs and perhaps above that also, for later and bigger versions of the Jumbo jet and TriStar. One such development is the 600-seater Jumbo jet, in which British Airways is interested.

Announcing these decisions in the Commons, Mr. Gerald Kaufman, Industry Minister, said the Government would recoup its investments through a levy on engine sales.

The Government had decided to set Rolls-Royce, through the National Enterprise Board, a target of a 10 per cent return on capital employed by 1981.

Mr. Kaufman said these new investments, which had been forecast some time ago, would further help to improve the RB-211's sales prospects in a period of rising sales of civil aircraft.

Marathon yard talks deadlocked

By Lynton McLain

GOVERNMENT TALKS aimed at saving Marathon Shipbuilders, the Clyde oil rig yard, remained deadlocked yesterday.

The yard will finish its last rig on April 26 and up to 1,500 workers may lose their jobs unless Government funds are used to secure a follow-on order.

The British National Oil Corporation is said to have made a £11m offer for a rig, but this was £535,000 below Marathon's break-even price.

Mr. Bruce Millan, the Scottish Secretary, was told by the U.S. Marathon Manufacturing parent company, at their second meeting of the week yesterday, that the difference had escalated to £1m.

Mr. Eugene Woodfin, Marathon's president, said after the talks that "not even the sanest man in the world would take the order at a £1m loss."

Tesco recovers fastest from January frost

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE MAJOR multiple supermarket groups have recovered their share of the packaged grocery market lost in January, according to a new trade survey carried out by the AGB research company.

Bad weather and the lorry drivers' strike in January benefited smaller grocers who were more accessible to shoppers than the larger stores, so that the multiples' market share fell to 62.5 per cent from just over 65 per cent in December.

AGB's latest survey, for the four weeks ended March 3, shows that the multiples recovered to 64.5 per cent as trading conditions improved.

The independents' share of the market fell from 18.5 per cent in January to just over 18 per cent in February. But the independents' share is still substantially higher than the 16.7 per cent market penetration achieved last December.

Of the major supermarket multiples, Tesco appears to have recovered fastest from the January setback. Tesco's market share in February, 13.2 per cent, was marginally higher than that for December, the last month of "normal" trading conditions. In January, Tesco's market share had fallen—in line with that for multiples as a whole—to 12.4 per cent.

J. Sainsbury, Tesco's closest rival in the High Street war, climbed back to 10.8 per cent in February from the low point of just over 10 per cent in January. Before Christmas, Sainsbury had an 11.3 per cent market share.

A similar trend was noted for the other major multiples, with the exception of International Stores, which had done better than the other groups during January.

Car distribution group given £175,000 loan

Financial Times Reporter

INDUSTRIAL and Commercial Finance Corporation, the big bank-owned lending institution for small companies, is to lend £175,000 to Finance Facilities (London).

This is a small group of companies mainly concerned with distributing Leyland cars in Essex and North Kent. The loan carries a fixed rate of interest and will be used for working capital purposes.

TV deliveries down again as import share rises

BY JAMES McDONALD

COLOUR TELEVISION deliveries to the home market in January, at 57,000 units, were 39.2 per cent lower than in January 1978, and 30.9 per cent lower than in December, says the British Radio Equipment Manufacturers' Association.

Domestic manufacturers' deliveries accounted for much of the decline. Imports, though also lower, took a greater share of the market.

Deliveries to distributors fell in January, but reports from retailers indicated that sales to consumers were maintained at about 1978 levels, producing a reduction in level of distributors' stocks, says the association.

Manufacturers' deliveries in January, at 66,000 units, were 43.1 per cent lower than in January last year.

Deliveries of imported sets, at 21,000 units, were 22.2 per cent lower over the year, but their share of the British market rose from 18.9 per cent to 24.1 per cent.

Skytrain advanced booking sought by Laker

SIR FREDDIE LAKER, chairman of Laker Airways, has asked the Civil Aviation Authority for permission to introduce an advanced booking service for his cheap-fare Atlantic Skytrain between London (Gatwick) and New York and Los Angeles.

Hitherto, the service has been limited to a "no-reservations" basis, with passengers queueing for tickets on a first-come-first-served principle.

In recent weeks, Laker Airways has been allowed to sell seats on subsequent flights immediately one flight has been filled, solely as a concession to prevent the build-up of unwanted queues in London streets and at Gatwick Airport, as happened last summer.

Lloyd's talks on rescue of stricken syndicate

BY JOHN MOORE

LEADING LLOYD'S of London figures meet today to discuss urgent proposals which may lead to a rare market rescue of the stricken underwriting syndicate formerly managed by Mr. Frederick Sasse.

A statement on how the 110 members of the syndicate, which faces losses of £13.6m, are to be helped by Lloyd's is expected later this week.

The 16-strong ruling committee of Lloyd's is considering these proposals, the first of their kind in over 20 years at Lloyd's, against a background of growing unrest among the members of the syndicate.

Many members of the syndicate, who include Lord Kintore, Lord Ebrington, Lord Rosslyn and Lord Napier and Ettrick, have sought legal advice, and a small committee of members has been formed to look after their collective interests.

This committee, headed by Mr. J. Benjamin of Thames Investments and Securities, with Mr. Murray Gordon, chairman of Combined English Stores, and Mr. J. N. M. Thomson-Moore, is working in close conjunction with the new managing company of Merrett Dixey Syndicates.

Mr. Sasse the underwriter and manager of the syndicate, took on two-and-a-half times more business than he was entitled to under Lloyd's limits in 1976. The syndicate's brokers, Brentnall Beard, had not gained Lloyd's approval of a major producer in the U.S. of fire insurance business for the syndicate, which led to £8m of the losses.

It was found last year that the syndicate's accounts had been seriously mis-stated, and the City of London Police fraud squad was called in by Lloyd's.

Directors of Brentnall Beard this week meet the Lloyd's inquiry team headed by Mr. Brian Brennan of Sedgwick Forbes Bland Payne to discuss Brentnall's role in the events which led to £8m of the losses.

Mr. Benjamin and the Sasse syndicate's members' committee have asked the rest of the syndicate "to continue to refrain from instigating any legal action" for the moment. A meeting of the syndicate is planned for late April at Lloyd's library.

BNOC catches up for lost North Sea time

BY KEVIN DONE, ENERGY CORRESPONDENT

IN LITTLE more than three years the British National Oil Corporation has established an all-pervading influence in the UK sector of the North Sea.

As a political creation it came to the North Sea later than most, but with the full backing of its political masters it has quickly caught up for lost time, and yesterday it bought up its second operatorship.

BNOC's interest in buying into the Beatrice Field, one of the smaller North Sea discoveries, which lie only 12 miles off the Scottish coast, has been known for some months. It made its first incursion into the block at the end of January when it bought up half of Hunt Oil's 20 per cent share.

Since then its name has also been linked, with several others, with the 15 per cent share in Beatrice owned by P and O, the financially troubled shipping group.

There had also been speculation that BNOC would eventually take over the operation of the field from Mesa, the U.S. oil company, but until negotiations between the two started in earnest a month ago, it seemed unlikely that the deal would be pushed through quite so quickly.

Obvious

The Beatrice partnership has been unsettled for a long time, almost since the field was, surprisingly, discovered in the Moray Firth, for which most oil industry geologists had shown little enthusiasm.

The field was discovered in September, 1976, by a group that, apart from P&O, included four small U.S. independent oil companies — Mesa from Amarillo, Texas, Cresllenn and Hunt Oil from Dallas, and Kerr McGee from Oklahoma. By the end of year it is probable that only Kerr McGee will remain from the original partnership, along with Hunt Oil having a reduced interest.

Mesa came close to selling out its North Sea interests once before, when it almost agreed a deal with Gulf Oil of the U.S. last year. That finally fell foul of the Gulf Board and Mesa was forced to find a new buyer. The deal with BNOC is in many ways a more obvious one.

In the first place it meets Mesa's new corporate objectives of cutting back its overseas interests in order to concentrate on oil and gas exploration and production in the U.S. It had already announced last month that it was putting all its Canadian oil and gas properties on the market, which produced revenues of Canadian $30m last year. This sale covers total reserves of 400bn cubic feet of gas and 3m barrels of oil.

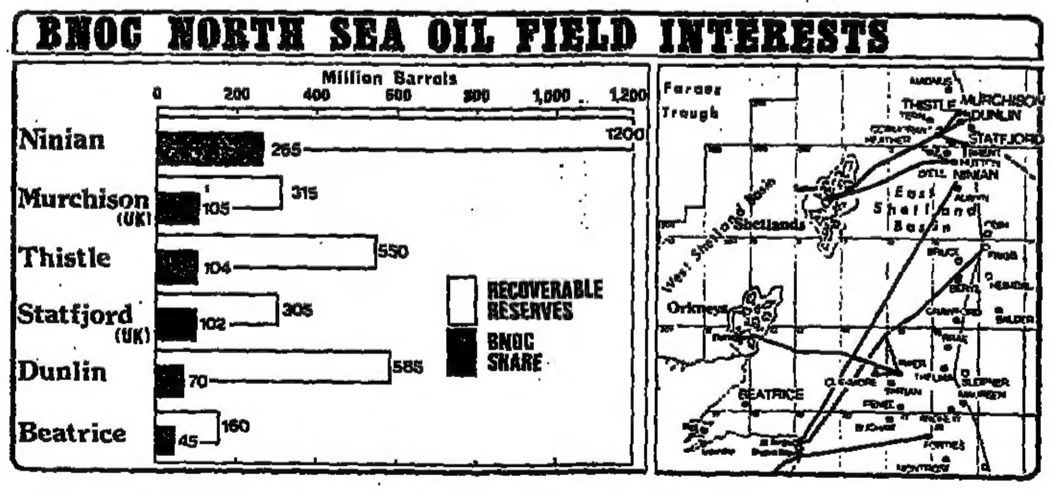
Consolidation

The move to sell the Canadian and UK interests is also aimed at reducing Mesa's total indebtedness, incurred in part as a result of its decision last month to buy half of Ashland's Oil's U.S. mid-continental oil and gas interests. It has entered this deal, valued at $340m, jointly with Tenneco.

For BNOC, the purchase of the major Beatrice stake has important implications, in particular for the development of its role as an oil field operator and for the consolidation of its burgeoning relationship with Deminex, the West German oil exploration company, which is also partly state-owned.

In spite of its acquisition of equity interests in five other oil fields over the last three years,

BNOC NORTH SEA OIL FIELD INTERESTS



BNOC landed an agreement to operate only one of them, the *Thistle Field*, in which it now has a 19 per cent interest.

That field came on stream last year and as the burden of development work runs down BNOC has had to look hard to find suitable work for its development team.

Last year it made its first major oil discovery as operator on block 30/17b, a block which was granted in the fifth round of offshore licensing. But this find is still only at the appraisal stage, and BNOC is unlikely to be able to go to the Energy Department for development approval before the end of this year or the beginning of next year at the earliest.

The acquisition of the leading interest in the Beatrice Field means that BNOC will now have a much greater continuity of development work. At the same time the field should be coming into production, offering a growing cash flow, precisely when the weight of capital expenditure will be called for the development of the 30/17b find.

BNOC's interests in the North Sea have grown rapidly since it was formed at the beginning of 1976, when its staff amounted to little more than Lord Kearton, the chairman, formerly chairman of Courtaulds, and Mr. Jerry Evans, a civil servant from the Department of Energy.

Such was the disorder in those early days, that Lord Kearton had to borrow money from Courtaulds to buy a typewriter for his secretary.

Staff now totals about 1,100 which could swell by another 100 with the arrival of personnel from Mesa. It has offices in London, Glasgow and Aberdeen, and bases in Peterhead and Falmouth. Mesa staff will not have far to move, and ironically they share the same office block in Aberdeen as BNOC.

BNOC was first put on its feet with the purchase of most of Burmah Oil's North Sea interests, especially its shares in the Thistle and Ninian Fields, in 1976-77. This was consolidated when it took over the National Coal Board's offshore interests—much to the disgust of the NCB—which included stakes in the Viking gas field in the southern North Sea and shares in the Dunlin, Murchison, Thistle and Statfjord oil fields.

BNOC now has equity interests in 115 blocks on the UK Continental Shelf, a total which will probably go up to 151 when the sixth round licence awards are confirmed.

As a result the state oil company is exposed to offshore exploration work on a total of 17,000 square kilometres (excluding the sixth round).

All the fields in which it holds equity interests and which have had development approval, should be in production by the end of 1981. These six fields should be producing at their peak, about 900,000 barrels a day, of which BNOC's share would be some 200,000 barrels a day by the mid-1980's, which will be more than 7 per cent of total UK offshore crude oil production.

Much more oil will be available, of course, under participation agreements and as royalty oil taken in kind by the Government. BNOC is already trading about 300,000 barrels of crude a day (excluding oil that is sold back to companies such as BP, Shell, Esso and Mobil with UK refining interests), and by the end of the year this should be up to more than 500,000 barrels a day.

By the early to mid-1980s its crude-trading role will have expanded to the point where it is handling about 1m barrels a day. On top of this will be some 500,000 barrels a day which it will sell back to UK refiners. As a result BNOC will be handling 7-10 per cent of all the light, low sulphur crude sold in the world.

Privileges

BNOC's precise future is under some doubt if the Conservative Party wins the General Election next month. The Tories are committed to, at least, containing BNOC's growth into other areas, and they will also undertake a "top to bottom review" of the company to see if any of its interests could be better carried out by private industry.

In reality, this probably means that BNOC would probably be stripped of some of its official advisory duties to the Energy Department and it could lose some of its special privileges in the North Sea. But it is now locked into so many complicated contractual arrangements that a Tory Government would find it very difficult to unravel them all.

هكذا من الأصل

The new TriStar 500. It's the most advanced subsonic jetliner in the world. Its navigation control is second to none. As is the on-board computer.

It's slightly shorter than the original TriStar. But that's a breakthrough in itself: all the comfort of a wide-bodied jetliner in a plane that can travel further without refuelling. And that saves you time.

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British airways

We'll take more care of you.

Cost index pushes up personal allowances

BUDGET REPORT BY JOHN HUNT AND IVOR OWEN

THERE IS a *good chance that* the increase in earnings as a result of this wage round will be about 13 per cent, Mr. Denis Healey, Chancellor of the Exchequer, told the Commons yesterday when he presented his caretaker budget.

Nevertheless, although that is slightly less than the earnings rise in the last round, he said that output *and* employment will be lower than they would have been had the Government's 5 per cent *pay guideline* been observed. Inflation was also *bound to be higher* than forecast last autumn.

Replying for the Tories, Sir Geoffrey Howe, Shadow Chancellor. *promised* that cuts in personal taxation would be the hallmark of the Conservative *Government* if his party were returned to power at the General Election.

There would be a substantial reduction in *personal* taxation to restore incentives, he said. It would be accompanied by a *cut in public spending* programmes so that expenditure would be in accord with what the nation could afford.

Sir Geoffrey expressed the Tories' willingness to shift the balance of taxation away from Pay as You Earn to "Pay as you spend."

The short Finance Bill, which was being rushed through all its *stages* in the Commons last night, increases personal income tax allowances in *line* with *inflation* as required by the Rooker-Wise amendment. But, in this instance, the increases *do not* come into effect until August.

Shadow Chancellor Sir Geoffrey Howe (left), and Mr. Denis Healey, Chancellor

Ashley Ashwood *Glyn Genin*

The Chancellor, during most of his speech, resisted the *temptation to indulge in elec*tioneering.

However, Mr. Healey said that had he been *able to introduce* a normal Budget, he would have proposed an increase in *income* tax thresholds *higher* than that envisaged in the Finance Act.

In reply to a question from Mrs. Barbara Castle, the former Social Services Secretary, the *Chancellor said that if a Labour* Government was returned to power, it would increase child *benefits* next *November*. He could not at this stage say by how much.

Mr. Healey drew *laughter* from the Conservative benches when he asserted that 1978 had been a good year for the economy. He said that only that afternoon he had been able to announce that Britain was to *repay a further* $1bn to the International Monetary Fund, well ahead of schedule.

The background *had been* encouraging at the end of last year, but the country faced two large economic obstacles.

The first was sluggish response of manufacturing industry to increases in demand. Mr. Healey recalled that *last year's* drop in inflation and the tax reductions of 1977 and 1978 had increased consumer spending *by 5.5 per cent*. Yet, he complained, in spite of that advantage, manufacturing output rose by less than *1 per cent* and imports had gained an increased share of the UK market.

The second obstacle, Mr. Healey said, was wage inflation. As a result of current pay *increases*, the rate of inflation this year would be higher than forecast last autumn. However, *the earnings out-turn for 1979-80* would be nothing like as high as the 20 to 25 per cent that *some had predicted*.

"There is now a good chance of our achieving an out-turn of about 13 per cent, a *little less* than last round. But any increase above the Government's guidelines is bound to raise *prices* and damage our competitiveness."

The dangers might be limited by *adherence* to the Government's fiscal and monetary policies, but even then output and employment would be lower than if the pay guidelines had been observed.

Inflation had to be tackled by firm and responsible financial *policies* and by a *moderate* growth in earnings. We had proved our ability to maintain the *stability* of sterling and our reserves were now much higher. At home, we had succeeded in keeping control over the underlying growth of money supply.

It would be six weeks, the Chancellor said, before the growth of money supply was known for the year to April. However, indications were that the *growth of M3* (the wider definition of money supply) for the year as a whole had been *in the middle of the 8 to 12 per* cent Government target.

Mr. Healey said that it *would not* be appropriate in his speech to propose a change in the target or to roll it forward. *If* it were raised significantly above the 8-12 per cent range, it would simply mean printing money to finance higher pay settlements. If it were lowered, it would depress the economy more than was justified.

"The monetary authorities will continue to act during the coming month to keep the *underlying growth of M3 within* the target range," he emphasised.

In that connection, the Bank of England had announced *yesterday* a *holding* operation for rolling forward the supplementary special deposits scheme *for three months* on a basis consistent with the monetary target.

An *important element in con*trolling money supply had been in holding the Public Sector Borrowing Requirement *in* 1978-79 to £8.5bn. Keeping it at that level would make financing easier in the *coming* year.

The Chancellor recognised, however, that *if* the *Conservatives were returned* to power they might prefer to reduce the borrowing requirement *below £8.5bn and adopt* a lower monetary target. Nothing in the Finance Bill would prevent them *from doing* that if they wished.

He emphasised that in spite of the *increase* in *personal* allowances in the Bill, there would be no consequent changes in Pay-as-you-Earn until August 1.

"The purpose of this is to give the next *Chancellor time* to decide what he wishes to propose to the House before pay packets are effective."

The higher allowances would take effect after August 1 unless the incoming Government decided otherwise. If the next Government wished to increase the allowances further, it could still do so, and they would be backdated to April 6.

Turning to international matters, Mr. Healey strongly criticised the EEC. The Community, *he said*, had committed itself to greater convergence of economic performance and living standards. "But its progress in this field has been most disappointing."

*He repeated the Prime Minis*ter's complaint that Britain's net contribution to the EEC *Budget*, largely as a result of the Common Agricultural Policy, was "intolerably perverse."

He added: "There are signs that some of our partners are beginning to *recognise* the justice of our case. When we are returned we shall continue to press this issue whenever the opportunity arises."

Mr. Healey took a fairly gloomy view of the world economy and said that, this year, growth in industrial countries was likely to be only about *3 per cent* while unemployment would remain high.

Howe pledges 'substantial' tax cuts

A "*SUBSTANTIAL reduction*" in personal taxation to restore incentives and open the way for a fundamental change of course was promised by Sir Geoffrey Howe, the Conservative shadow Chancellor, in the Commons last *night*.

He insisted that the "dismal inheritance" left by Mr. Denis *Healey would not prevent cuts* in personal taxation being the "hallmark" of the Conservative *Government to be formed by* Mrs. Margaret Thatcher after next month's general election.

Sir Geoffrey looked to a reduction in public spending programmes to bring public spending into line with what the *nation* could truly afford and to recognise the need to shift the balance of taxation away *from* Pay as You Earn to Pay as You Spend.

He maintained that the *vitality of the economy could* never be restored by continued increases in taxation and continued growth *in public spend*ing and borrowing—the hallmarks of the Healey regime.

The shadow chancellor clashed with Mr. Healey when he asserted that, even *after* the indexation achieved through *giving affect to the* Rocker-Wise Amendment, the effect of the Finance Bill in many instances *would be to increase the* burden of direct taxation.

Sir Geoffrey argued that to prevent *the burden of taxation* being increased the reduced rate band should have been increased by £60, and the threshhold for higher rate taxation required to sing the requiem at raised from £8,000 to £8,700.

"The *effect* of the Finance Bill is to increase the burden of direct taxation *for almost all*."

Sir *Geoffrey held to this* view even though Mr. Healey accused him of "gravely misleading" the *House*.

The *shadow* chancellor was adamant that without the higher thresholds he had outlined—changes needed to take account of inflation—the real burden of taxation must be increased unless *there was another* Finance Bill later in the year.

This increasing burden, he *claimed, was fully in accord with* Mr. Healey's *performance* during his five years at the Treasury which had *seen* the taxation paid by each household increase by two and a half times to £939.

Sir *Geoffrey* cheerfully reflected on the fact that the unseating of the Government last week *by the vote of no* confidence had prevented the Chancellor introducing his fifteenth budget.

This had made a "total non-budget" inevitable and had resulted in Mr. Healey being *required to sing the requium* at his own funeral.

"We celebrate the Chancellor's *demise with great* enthusiasm," he scoffed amid Tory cheers.

Sir Geoffrey told Labour back *benchers who pointed to* the strength of sterling, that this was due entirely to North Sea oil and gas and *not in the least* to any action of the Chancellor.

He estimated that the increase in personal allowances arising from the Rooker-Wise Amendment would result in the *Finance* Bill increasing the public sector borrowing requirement by £1bn.

The incoming *Government* would also be faced with "blank cheques" for increases in public sector pay.

If increases awarded to workers employed by central Government were in line with *those* made in local government, there was a warning of what lay ahead in the fact that rates were showing an average increase of 19 per cent instead of something under 10 per cent as had been predicted by *Ministers*.

State groups to borrow £2.1bn

BY DAVID FREUD

NATIONALISED industries' borrowing from *external sources for capital investment* is being held at half their total capital requirements in the *1979-80 financial year*.

Figures published yesterday with the Cash Limits White Paper *disclose* that *nationalised* industries will be allowed to borrow £2.1bn in the coming financial year, a *little less* than *half* their estimated capital requirements of £4.3bn.

The cash limits on public *spending are determined in* accordance with the statement of Mr. Joel Barnett, Chief Secretary to the Treasury, in February. Although the pay and cost assumptions are fairly strict, loopholes have been left *for partial adjustment if wage* deals are much above official guidelines.

On prices, Mr. Barnett said that cash *limits* would not be increased to accommodate any higher rises beyond the specified assumption of an 8½ per cent *increase in the retail price index* in the 12 months to the fourth quarter of 1979.

That is borne out in the White Paper, *where the cash-limited* increase for current expenditure on goods and services between the 1978-79 year and 1979-80 is held at 8.2 per cent.

Mr. Barnett left the position more flexible on pay, where cash limits have been set *allowing for settlements in the* coming financial year adding up to 5 per cent, or £3.50 a week, whichever *is greater*.

The allowance provides for the cost of the staged increases agreed in 1978 for firemen, police, the Armed Forces, others covered by the Review Bodies and university teachers.

However, the White Paper re-emphasised Mr. Barnett's statement that if pay awards *differed from the initial assump*tion, "each case will be reviewed as settlements are reached."

*The principle applied for cen*tral government expenditure on manpower "will be that a substantial proportion of any excess cost will *have* to be *absorbed* within the existing cash limit," the White Paper said.

The price assumptions of the 1979-80 limits allows for an increase in public service pensions of 8.5 per cent. The cost *of buying land and existing* buildings is provided for at an increase of 10.7 per cent over the previous year, while the *comparable figure for public*-sector housing is 12.6 per cent and for roads 15.3 per cent.

For nationalised industries, the estimates of the total external financing requirement is used as a form of cash limit, *except for the British National* Oil Corporation, which is not limited.

The White Paper noted that such limits could not be immutable, because the revenues and expenditures of the industries, like those of private companies, depend on trading conditions.

However, it observed: "There is no presumption that any prospective increase in financing requirements will be met by a further injection of *external finance, as opposed to* other action which the industry can take to offset the increase."

Thatcher hedges on TV confrontation

BY ELINOR GOODMAN, LOBBY STAFF

MRS. THATCHER refused to be rushed yesterday into picking up the now-traditional pre-election gauntlet thrown down by the Prime Minister when he accepted London Weekend Television's invitation to meet the Tory leader.

Officially, Conservative *Central Office said* that *she was still* considering the invitation and would make up her mind in her own time.

Her advisers, it was said, tended towards the *view that it* would be more prudent if she did not risk her lead in the opinion polls by *appearing* on the same programme as the Prime Minister.

But it was acknowledged that *it would do her reputation no* good to be seen to be avoiding confrontation and that she might *therefore yet come up* with some invitation of her own.

Privately, some Conservatives took pleasure in pointing out that it *was hardly surprising* that Mr. Callaghan should be in such a hurry to appear on the *same TV programme* as Mrs. Thatcher; he had nothing to *lose, while she, as the expected* winner, had everything to lose.

The Tories had themselves, they *admitted, issued the same* challenge to Labour when they had been behind in the polls at the start of a campaign.

The invitation therefore developed into the pre-election skirmish that has marked the *beginning of almost every cam*paign since the invention of television, with both sides *trying to milk the maximum* amount of good publicity out of the situation.

Transport House jumped the gun by issuing a statement—later withdrawn—decrying Mrs. Thatcher's refusal to accept the invitation and saying what a pity it was that the electorate had been denied a unique opportunity of hearing the two leaders debate their policies.

For their part, the Conservatives *were still keeping* their options open. The signs were that if they looked like losing *in public relations, they might* agree to some compromise, as long as they could influence the terms of the interview and so prevent Mr. Callaghan from *using* it as an occasion to display his mastery of world statesmanship.

After all, it was pointed out, Mrs. Thatcher had shown herself a good television performer and was hardly short of people *to advise her*.

The confrontation was due to be screened on the last two *Sundays before the poll on* May 3. According to Central Office, Mrs. Thatcher did not get her invitation until Monday morning, and it was ridiculous to suggest, as some London evening papers had, that she had already rejected it.

Even so, the signs are that Mrs. Thatcher may be used *rather more sparingly in the* first week of the election campaign than Mr. Callaghan.

She is expected to give only one Press conference next week —on the Wednesday, when she *may disclose* her party's manifesto—and will not start attending the conferences regularly *until after Easter*.

Again, Central Office says that that is not a sign that it has *anything but the fullest confi*dence in Mrs. Thatcher's ability to win votes, but rather that it wants the campaign *fought on* policies rather than personalities.

Freddie Mansfield

Mrs. Margaret Thatcher

Chancellor sings song of praise to himself

By Philip Rawstorne

MR. DENIS HEALEY cut a forlorn figure yesterday amid the exuberant election *charades in the Commons*.

It was his 15th Budget day —but he had no budget to present.

The Chancellor *apologised* to the full House for the anti-climax.

"*I feel like someone who* came to play the lead role in the opera and finished up helping to hold the scenery steady," he said.

Mr. Callaghan leaned forward sympathetically to assure him he would get another chance; this was not the Government's farewell production, merely a spring break.

Mr. Healey responded gratefully — *no one would blame him then if he broke* into a few snatches of song, he said.

And turning to the economic background, he trilled enthusiastically about the days he had left behind him.

Inflation halved, incomes up, investment rising, unemployment down—the Chancellor paused to invite applause for the scales of his achievements.

Mr. Healey *grew* lyrical about the strength of sterling and the reserves, threw in a *discordant note on the Com*mon Market budget.

What a platform this would *have been for a real live per*formance, Mr. Healey suggested.

Instead of merely indexing allowances, he would have lifted tax thresholds. . . .

Mrs. Barbara Castle, a previous *critic, interrupted* the Chancellor to ask if he could have reached the top notes on child benefits.

No doubt about it, Mr. Healey replied modestly. It *would not be right to say how* high he could have gone but it would certainly have been above anything the Conservatives were likely to reach.

With conscious restraint, Mr. Healey declared that the economy had now been orchestrated to a fine pitch for the next Chancellor—"who might well be myself."

The Commons could then look forward to a wise and prudent presentation, he said.

Sir Geoffrey Howe, without much sympathy, congratulated the Chancellor on his requiem. *There would be no come-back* for the singer; no revival for the socialist song, he asserted.

The Government's performance had been worse than any of its major competitors; its policies out of tune with the country's needs.

More vitality was needed; new direction required—and the Conservatives would provide it with cuts in taxes and public spending, he declared.

UK nuclear plant 'safer'

NUCLEAR REACTOR accidents like that in the U.S. could not *happen in Britain, the Prime* Minister told MPs yesterday.

The UK uses different types of *reactors*, he said. "We have been very wise in concentrating on a safer type of reactor."

Mr. Callaghan said that *Britain used gas-cooled reactors* rather than reactors cooled by water pressure, as is the station at *Harrisburg*.

Mr. David Steel, the Liberal leader, had asked about danger *from nuclear reactors in Britain*. He pointed out that a nuclear plant development in Torness, Scotland, was to go ahead without *a public inquiry*.

Tories plan to end dole abuse

BY ELINOR GOODMAN, LOBBY STAFF

THE Conservatives hope to find *ways of clamping down on what* they regard as abuses of the dole system.

Among ideas they are considering if they are elected is the possibility of tightening the *requirement* that people receiving unemployment benefit should at least consider accepting *suitable jobs*.

The feeling is that some small saving in the unemployment benefit bill might be possible *if* the present "work rule" was redefined to make it more difficult for people who had rejected a suitable job to continue getting the dole.

The party is already *committed to taxing short-term* social security benefits as a way *of widening* the gap between what someone can earn in a job and what they can get from the *State while out of* work.

The idea of tightening up on the work rule is a related but seperate *proposal*.

Conservative policymakers are not claiming that it would *be easy to come up with a* better definition, but they apparently believe that such a change *could help* to create an environment in which it was seen to be more worthwhile to work than to stay at home.

The *Conservatives are clearly* aware that unemployment could be a major election campaign issue.

The signs are that they will argue that the cuts they seek in public expenditure will not necessarily lead to an increase *in* unemployment, and might even lead to a rise in jobs.

They are likely to make much of the fact that UK employment actually rose after the present Government had been forced by the *IMF* to cut public spending.

They will *probably* also indicate during the campaign that they would be unlikely to axe *any of the Government's* present job subsidy schemes immediately after coming into *power*.

Instead, the idea seems to be to phase out some of them when they come up for renewal.

PARLIAMENT AND POLITICS

TAX CHANGE DELAYED

Indexed allowances expected

BY DAVID FREUD

TAX CHANGES yesterday confirm the Budget resolutions submitted to Parliament on Friday. The main change is the indexation of allowances, as laid down in the 1977 Finance Act in the Rooker/Wise amendment.

The amendment—section 22 of the Act—says the allowances should be increased automatically in the spring Budget in line with the rise in the retail prices index in the previous year.

The figure employed on this occasion is 8.9 per cent—the increase in the index between December 1977/January 1978 and December 1978/January 1979. The allowances have been rounded up.

As a result, the single person's and wife's earned income allowances increase by £90 to £1,075, the married person's by £140 to £1,675, the additional personal allowance (for single parents) by £50 to £600, the single age allowance £120 to £1,420, the married age allowance £190 to £2,265 and the age allowance exemption limit £400 to £4,400.

Re-coding

The Inland Revenue does not have to implement these increases before August 1, which will allow the incoming Government to frame a full Budget and set the personal allowances at whatever level it chooses. The new administration will also be able to provide for them to take effect at a different date.

This means that the Revenue will not have to re-code to take account of the increases in personal allowances when very shortly afterwards there could be a further re-coding exercise to take account of allownaces set at a different level in a Budget of the incoming Government.

The Revenue said yesterday: "A two-stage coding operation would be administratively burdensome for employers, as well as for the Revenue, and would cause confusion for taxpayers."

It added: "In a normal Budget it is standard practice for the resolutions to provide for deferment of the implementation of the proposed changes in the level of allowances. So the procedure for this Finance Bill is merely an extension of the standard procedure, necessitated by the exceptional circumstances in which the Finance Bill is introduced."

Deductions

The cost of the increases is about £850m in 1979-80 and £1.05bn in a full year. The exact figure will depend on the level of incomes in the year.

The final stage of the withdrawal of child tax allowances is included. After the Government's announcement of its intentions last summer the Inland Revenue fixed PAYE codings for 1979-80 omit the child tax allowance, and so deductions from April 6 will reflect this change.

The Revenue points out: "In almost all cases, however, increased tax deductions will be more than offset by the further increase in child benefit." The table for families with children demonstrates this.

The 1979-80 PAYE coding notes also take account of the Government's stated intention to exempt from tax the child dependency additions received by widows and others receiving taxable social security benefits.

Where appropriate they also include the additional personal allowance for single parents which is strictly only allowable if child tax allowance is due.

The legislation to provide this exemption, and to alter the rules of entitlement to additional personal allowances, will be for the next Parliament.

The mortgage interest ceiling of £25,000 for tax releief is maintained, as are the rates of corporation and advanced corporation tax. Income tax rates are held at the 1978-79 level.

Single Persons—Annual Figures

Income £ (all earned)	Charge for 1978/79: Income tax £	% of total income taken in tax	Charge with increased allowances: Income tax £	% of total income taken in tax	Reduction in tax £	% increase in income after tax
1,500	128.75	8.6	106.25	7.1	22.50	1.6
2,000	274.95	13.7	245.25	12.3	29.70	1.7
2,500	439.95	17.6	410.25	16.4	29.70	1.4
3,000	604.95	20.2	575.25	19.2	29.70	1.2
3,500	769.95	22.0	740.25	21.1	29.70	1.1
4,000	934.95	23.4	905.25	22.6	29.70	1.0
4,500	1,099.95	24.4	1,070.25	23.8	29.70	0.9
5,000	1,264.95	25.3	1,235.25	24.7	29.70	0.8
6,000	1,594.95	26.6	1,565.25	26.1	29.70	0.7
7,000	1,924.95	27.5	1,895.25	27.1	29.70	0.6
8,000	2,254.95	28.2	2,225.25	27.8	29.70	0.5
9,000	2,586.00	28.7	2,555.25	28.4	30.75	0.5
10,000	2,986.75	29.9	2,950.00	29.5	36.75	0.5
15,000	5,664.75	37.8	5,610.00	37.4	54.75	0.6
20,000	9,091.25	45.5	9,023.75	45.1	67.50	0.6
25,000	12,842.45	51.4	12,773.75	51.1	68.70	0.6
30,000	16,992.45	56.6	16,917.75	56.4	74.70	0.6

MARRIED COUPLE WITH 2 CHILDREN NOT OVER 11 —NET WEEKLY INCOME

Weekly earnings £	Income tax £	Net weekly income in 1978/79: Pre-Nov. child benefit Net income £	Post-Nov. child benefit Net income £	Net weekly income after increase in allowances and change in NIC, CB & CTAs*: Child benefit £	Income tax £	Net income £	Increase compared with pre-Nov., 1978: Increase in income after child benefit tax and NIC £pw	% increase in income after child benefit tax and NIC	Increase compared with post-Nov., 1978: Increase in income after child benefit tax and NIC £pw	% increase in income after child benefit tax and NIC
40.00	1.65	40.35	41.75	8.00	1.94	43.46	3.11	7.7	1.71	4.1
50.00	4.33	47.02	48.42	8.00	4.71	50.04	3.02	6.4	1.62	3.3
60.00	7.64	53.06	54.46	8.00	8.02	56.08	3.02	5.7	1.62	3.0
70.00	10.93	59.12	60.52	8.00	11.31	62.14	3.02	5.1	1.62	2.7
80.00	14.24	65.16	66.56	8.00	14.62	68.18	3.02	4.7	1.62	2.4
90.00	17.53	71.22	72.62	8.00	17.91	74.24	3.02	4.3	1.62	2.2
100.00	20.83	77.27	78.67	8.00	21.21	80.29	3.02	3.9	1.62	2.1
120.00	27.43	89.37	90.77	8.00	27.81	92.39	3.02	3.4	1.62	1.8
140.00	34.03	102.77	104.17	8.00	34.41	104.81	2.04	2.0	0.64	0.6
160.00	40.63	116.17	117.57	8.00	41.01	118.21	2.04	1.8	0.64	0.6
180.00	47.23	129.57	130.97	8.00	47.61	131.61	2.04	1.6	0.64	0.4
200.00	54.73	142.07	143.47	8.00	55.19	144.03	1.96	1.4	0.56	0.4

* National Insurance Contributions, Child Benefit and Child Tax Allowances.

Net income is earnings, less tax and national insurance contributions, plus child benefit. It does not include any means-tested benefit.

National Insurance Contributions are for a person not contracted out of the earnings-related pension scheme.

Single parent families have the same net weekly income as married couples on the same weekly earnings except that a single family received £1.00 extra child benefit per week from April 1978 and £2.00 extra per week from Nov. 1978.

Child Benefits—the pre-Nov. child benefit was £4.60 per week, post-Nov. £6.00 per week and the current rate from April 1979 is £8.00 per week. The tax figures reflect the withdrawal of child tax allowances in April 1979.

Elderly married couples

(either husband or wife aged 65 or over)

Income £	Charge for 1978/79: Income tax £	% of total income taken in tax	Charge with increased allowances: Income tax £	% of total income taken in tax	Reduction in tax £	% increase in income after tax
Income all earned						
2,500	106.25	4.2	58.75	2.3	47.50	2.0
3,000	245.25	8.2	183.75	6.1	61.50	2.2
3,500	410.25	11.7	347.55	9.9	62.70	2.0
4,000	575.25	14.4	512.55	12.8	62.70	1.8
4,500	850.24	18.9	699.55	15.5	150.70	4.1
5,000	1,083.45	21.7	974.55	19.5	108.90	2.8
5,500	1,248.45	22.7	1,202.25	21.9	46.20	1.1
6,000	1,413.45	23.6	1,367.25	22.8	46.20	1.0
7,000	1,743.45	24.9	1,697.25	24.2	46.20	0.9
8,000	2,273.45	28.4	2,227.25	27.8	46.20	0.8
Income half earned, half from investments						
Up to £5,000 as above						
5,500	1,273.45	23.2	1,227.25	22.3	46.20	1.1
6,000	1,463.45	24.4	1,417.25	23.6	46.20	1.0
7,000	1,868.45	26.7	1,822.25	26.0	46.20	0.9
8,000	2,273.45	28.4	2,227.25	27.8	46.20	0.8

APPOINTMENTS

Change of chairman at Cape Industries

Mr. Lionel G. Stopford Sackville, deputy chairman of CAPE INDUSTRIES, is to become chairman after the annual meeting on May 22. He will succeed Mr. Ronald H. Dent, who is retiring from that position but will remain on the board as a non-executive director. Mr. Stopford Sackville is an executive director of Charter Consolidated and a director of the Anglo American Corporation of South Africa. Mr. Geoffrey Higham is to be deputy chairman of Cape Industries in addition to his post as group managing director.

★

Mr. Peter Harrop, manager of rental operations of RUMBELOWS, has been appointed a director of that company which is a member of the Thorn Electrical Industries group.

★

Mr. R. W. Cousins has been appointed a newly created post as chairman of TENNECO EUROPE. He will relinquish his position as chairman of a Tenneco subsidiary, Newport News Shipbuilding, and have headquarters in London.

★

Mr. John F. Tully, a director of Bowey Group, has been appointed joint managing director of the group's main building company, RALPH BOWEY AND SON. Mr. John Johnson has joined the Bowey Group with direct responsibility to Mr. Tulley for contracts management.

★

Mr. Bill Grundy has become sales director and Mr. Peter Robinson, national accounts director, of GOLDENLAY EGGS (UK). Mr. Edwin Fozard and Mr. Duncan Farrell also join the Board as executive directors.

★

Following the sale of the Remington Division by Sperry Rand, a company called REMINGTON CONSUMER PRODUCTS has been formed by Mr. Victor K. Kiam. Managing director of the new concern is Mr. Charles J. Carter, who was director of marketing—Europe in the previous organisation. The remainder of the previous management team remains unchanged.

★

Mr. J. G. Waters, a director of Letraset International, has been appointed director of corporate development of STANLEY GIBBONS INTERNATIONAL on completion of the acquisition of Letraset.

★

Mr. Leonard Regan, chairman of Carrington Viyella, has been elected president of the BRITISH TEXTILE FEDERATION.

★

Mr. Henry Ronson, founder of Heron Holdings which later became Heron Corporation, has resigned as chairman of the company. Mr. Ronson, who is 71, effectively took a back seat after his illness more than four years ago. He has been appointed life president without being a director.

★

Following the disposal by West of England Trust of its investment in MARSHALL'S UNIVERSAL, Mr. B. R. Pepperall, the representative of WET, has resigned from the Marshall's Board.

★

Mr. Charles Drury has joined the partnership of W. N. MIDDLETON AND CO., stockbrokers. Mr. Donald Corbett has become an associate member with the firm and Mr. Norman Andrews will join as an associate member on April 11.

★

Mr. David M. Taylor is to join the Board of TRAFALGAR HOUSE on April 30. He will be responsible for corporate finance in succession to Mr. Denis Groom who recently took up a new appointment within the group as managing director of Cunard's passenger shipping operations. Mr. Taylor is at present finance director of the Guthrie Corporation and was previously with the Brooke Bond Liebig Group.

★

Mr. Ronnie Gale has joined the insurance group of GRINDLAY BRANDTS INSURANCE HOLDINGS (Grindlays Bank Group) and will be managing director of a subsidiary being established to provide specialist services to the construction and contracting industry worldwide including in particular arranging cover under design and construct professional indemnity policies and construction and erection all risks policies. Mr. Gale has been closely involved in recent years in developing insurance cover for these specialist markets. Mr. Roger Cooke and Mr. Christopher Waite are joining the insurance group as directors and Mr. Geoffrey Pearman as an associate director of the subsidiary company. Mr. Liam Harnett, a member of the Grindlay Brandts Insurance Group, will also be a director of this company.

★

Mr. E. Gamble has retired from the Board of BARLOW RAND and relinquished all executive responsibilities in the group. He remains as non-executive chairman of Thos. Barlow (Holdings). Mr. F. R. Cresswell has been appointed deputy chairman and managing director of Thos. Barlow (Holdings) and takes over executive responsibility for UK operations of the group, including its investment in the U.S. Wrenn Service Inc. In the UK, operations now consist of two divisions: Barlow Handling, with Mr. F. R. Cresswell continuing as chairman, and Mr. A. R. Ham appointed managing director; and General Distribution and Shipping Division, of which Mr. A. T. B. Meyer becomes chairman.

★

Mr. Bruce Swale has been appointed managing director of EXPLOROCEAN TECHNOLOGY. He was formerly sales manager of Roland Marine (UK).

★

Mr. Eric Daykin has been appointed to the newly-created position of sales director of NATIONAL BENZOLE COMPANY.

★

Mr. Roderick A. G. Durham has been appointed sales director of PLASTICS AND RESINS.

★

Mr. D. Leighton Davies has been appointed a deputy managing director of RACAL ELECTRONICS and retains full responibility as chief executive for the Racal Data Communications Group.

★

Mr. Ted Brazington, who was recently appointed director of European operations, will join the Board of the WIGGINS TEAPE GROUP from April 9. Mr. Brazington will move from Belgium to take up his new post at the group's headquarters in Basingstoke on July 1. Mr. J. J. Morris has retired from the Board.

LABOUR

Dunlop may face another strike day

BY NICK GARNETT

UNION leaders are likely to call another one-day strike of Dunlop UK workers, probably next Wednesday, in protest at plans to close factories.

Almost half of the company's 43,000 UK workers downed tools in a one-day strike last month. They were protesting against Dunlop's decision to close its tyre plant at Speke, Merseyside, and seek redundancies at Fort Dunlop, Birmingham and Inchinnan, Glasgow.

Mr. John Miller, Transport and General Workers' Union national secretary and chairman of the sub-committee dealing with manning in the rubber sector, has been seeking support for the day of action from the executives of other unions. Announcement of the strike is expected shortly.

Mr. Miller said yesterday that unions were examining very closely points where they could black Dunlop products.

They were also keeping in close touch with Continental unions, seeking supporting action by workers in Dunlop's European plants.

Despite previous pledges of support, there was little action in Continental plants during the UK strike last month. Union officials claimed there had been short stoppages in some German plants and elsewhere.

The Speke closure would cost 3,100 jobs, with the company planning 500 redundancies at Fort Dunlop and 250 more at Inchinnan.

The company says it has been forced into a major rationalisation programme because of production overcapacity and a fall in demand.

Permits ended for unskilled hotel workers

By Our Labour Staff

PERMITS for unskilled overseas workers wanting jobs in the hotel and catering industry are being discontinued from the beginning of this month, Mr. Mr. John Grant, Under-Secretary for Employment, announced yesterday.

Mr. Grant said in the Commons that even highly skilled people such as hotel or restaurant managers, chefs, senior waiting staff and head receptionists would be granted permits only if there was a genuine shortage of their skills because of the international nature of parts of the industry.

In deciding the appropriate skill standards, the views of both sides of the hotel and catering industry would be taken into account. The Manpower Services Commission had assured Mr. Grant that the home industry had the capacity to train sufficient people to meet its needs.

Move to settle dispute at aircraft plant

By Our Belfast Correspondent

ATTEMPTS BEGAN yesterday to settle a dispute which has stopped production for more than a week at Short Brothers, the State-owned aircraft company in Belfast.

Senior management and representatives of 3,000 striking shopfloor workers met at the Northern Ireland Labour Relations Agency for preliminary talks. The stoppage began when 12 men were laid off because of restrictions imposed on overtime in pursuit of a pay claim.

The company said that orders for aircraft and missiles were in jeopardy because of the strike. If these were cancelled there could be loss of jobs.

Shorts has offered its production workers a 5 per cent increase. It said its workers were among the highest-paid in the aerospace industry. It could not pay increased wages without a corresponding increase in productivity.

Last week it reported a pretax loss of £9.75m for the year to August 31, 1978.

Teachers urge exam delay

A TEACHING union yesterday appealed to the Scottish Office to postpone examinations for thousands of schoolchildren because of disruption caused by a teachers' pay dispute.

The Scottish Schoolteachers' Association said it would be "grossly unfair" if the Scottish Certificate of Education examinations, due to start later this month, were not postponed. Children in Strathclyde yesterday began to suffer the effects of three days of selective strikes called by Scotland's largest teaching union, the 47,000-strong Educational Institute of Scotland.

ICI offers 15% in bid to restructure wages

BY NICK GARNETT, LABOUR STAFF

IMPERIAL CHEMICAL Industries has offered its 50,000 manual workers a 15.1 per cent pay package, partly in an attempt to reshape its wage structure.

The offer, which has not been made in response to an annual pay claim, is largely designed to resolve differential problems arising from Government pay policy and to end a shortage of scientific and technical workers.

However, the company has informed the eight signatory unions that it expects the proposals, if accepted, to form this year's wage settlement in June.

The unions, which have been in some disagreement as to how ICI's wage structure should be reshaped, have nevertheless drawn up a separate claim for substantial wages rises.

Mr. John Miller, Transport and General Workers' Union national secretary and secretary of the ICI signatory unions committee, said yesterday that 15 per cent would now be taken as the baseline for negotiations.

The company has been faced with a severe shortage of instrument artificers. The unions have been refusing to co-operate in training workers from lower grades as artificers until wages for senior grades improved.

ICI originally proposed rises of £7 for top scientific and technical grades, and £5 for those in the grade immediately below.

This offer was withdrawn following opposition, largely from unions with most of their membership in the lower grades.

Mr. Miller said that only a small proportion of workers in the top two grades were or would become instrument artificers. The company had a differentials problem but the unions had stressed that general pay levels had to be improved so that ICI could recruit all the staff it wanted.

Now ICI has replied by trying to sort out differentials across the board. The package involves a large measure of differential restoration, consolidation of £6.60 supplements, some new money and improved shift allowances.

The unions said yesterday that the company had informed them that the package was worth 15.1 per cent on the wages bill of the group it affected, although percentage increases varied from grade to grade.

New pay deal likely for 87,000 craftsmen

BY PAULINE CLARK, LABOUR STAFF

CRAFTSMEN employed by local authorities are expecting a 9 per cent pay offer and a comparability study which is likely to avert recent threats of industrial action.

Mr. Bill Gannon, executive councillor in the Electrical and Plumbing Trades Union and chairman of the negotiating body for 87,000 builders, plumbers and engineers in local works departments, said an advance on the recent 8 per cent offer was likely and this would be "considered" by the five unions involved.

If an offer similar to the local authority manual workers settlement is forthcoming with some assurance of a comparability study it is likely to be treated as a basis for negotiations.

Negotiations are described as "deadlocked" and union negotiators have been consulting their executive committees on proposals for industrial action.

The unions although pressing for a higher immediate offer, emphasise the importance of a comparability study so that differences between the public and private sector can be corrected. Average earnings among the local authority workers are about £70 a week.

They hope a comparability study would also solve the problem of 10,000 plumbers whose pay is said to have seriously fallen behind compared with plumbers in the private sector who were awarded a special deal last autumn.

Representatives of some 5,000 local authority electricians are meeting on Friday to decide what form of industrial action to take in response to a 7½ per cent pay offer.

They have also been offered a comparability study with a guarantee that 50 per cent of any offer will be made on the date of their next annual pay review in November. But they have rejected the offer.

The electricians also want their wages raised to private sector levels. They claim that minimum earnings for the group are £17 behind those in private industry where a two-year pay deal was concluded in January with a 10.5 per cent rise now and 13 per cent from next year.

Legal & General pact with Jenkins' union

BY OUR LABOUR STAFF

THE Legal and General Assurance Society has signed a recognition and procedure agreement with the Association of Scientific, Technical and Managerial Staffs.

The agreement bolsters the recruitment base of Mr. Clive Jenkins' union in the insurance industry, in which the National Union of Bank Employees is also trying to mount a recruitment drive. It also ends a two-year recognition fight.

The Legal and General agreement follows a draft final report from the Advisory, Conciliation and Arbitration Service recommending that ASTMS should be given sole negotiating rights for most clerical and administrative grades.

ACAS had decided that a similar recognition claim from the company's staff association could not be proceeded with. The company has withdrawn the staff association's facilities.

The association, whose recognition agreement covers more than 4,000 staff, is submitting a pay claim for the restoration of wages to their 1975 real value. Settlement date is July.

EEC home loans for UK workers

CERTAIN BRITISH coal and steel workers will be eligible for home loans from the European Commission in Brussels.

They will be able to call on a £1.8m fund either as first-time house purchasers or as individuals moving into areas of "more stable employment."

The loans are the result of an agreement between the commission and the Halifax Building Society. Altogether £1.1m has been allocated for coal workers and £700,000 for steel workers.

Indefinite strike threat at Perkins

PRODUCTION WORKERS at Perkins diesel engine plant at Peterborough are to stage an indefinite strike from Friday unless the company promises pay parity with Massey Ferguson workers.

The ultimatum from 7,000 production workers came at a mass meeting yesterday morning.

The men rejected a pay offer of an extra 9 per cent or £6.50 a week. They are asking for £30 a week, half of which would put them on a par with Massey Ferguson workers in Coventry. Mr. George Gilmour, the works convenor, told the meeting: "The management offer is completely unacceptable. Our undertaking this year is to win parity."

Perkins is the world's biggest manufacturer of diesel engines with an output of 330,000 a year for boats, trucks and agricultural machinery. Over 80 per cent are exported to more than 160 countries.

Pay parity has been an issue for six years and resulted in a month's closure in 1973. The meeting voted unanimously to give the company until 4.30 on Friday to reply to the claim or face an indefinite strike.

The company said yesterday: "Perkins has made an offer ranging from between £5.75 and £10.75 per week, plus consolidation of Phase One supplement of £6. The company has also stated that it is willing to negotiate further on a cash settlement for 1979, as long as normal working continues. The trade union position was that it did not accept certain conditions relating to grading claims which the company has made against the offer.

"On parity with Massey Ferguson, the company stated that this would be tackled as in the past by different increases at Perkins and Massey Ferguson wherever possible.

"In addition, the company proposed an approach which would ensure that a definition of parity across Massey Ferguson/Perkins would be achieved by December, 1979, and then cash amounts could be agreed to close the gap in a defined period of time."

FINANCIAL TIMES REPORT

Wednesday April 4 1979

CORBY

Town lives in fear

By Anthony Moreton, Regional Affairs Editor

FROM THE town centre in Corby it is possible to look across the rooftops and see the dominating architecture of the British Steel Corporation's works, its tall towers disgorging white smoke over the *Northamptonshire* countryside. The works, and the Corporation, dominate Corby in more senses than one. The works *employ some 11,000* people out of a total workforce in the town of 23,395; the old cliché about the town catching pneumonia if the works sneezes is probably more true here than anywhere.

British Steel also dominates almost *all conversation because* there are considerable fears that it will in the not-too-distant future close the steelmaking *side of its activities* at the works. Such a move would be catastrophic for the town. It would throw out of work some 6,000 people and the rate of unemployment, which is now around 7 per cent, could leap up to as much as 17 per cent. The town has already come to terms with the fact that steel is not so important in its economy as it once was—15 years ago it accounted for 70 per cent of Corby's workforce — but the rumours and fears continue, especially *as* BSC has just announced the closure of the Bilston works in Staffordshire.

To complicate matters, the Development Corporation, which has been responsible for the growth of the town since 1950, will also be wound up at the end of next March, a move which could not have come at a less opportune time. To under*stand the relationship* between two corporations, and the dominant role of steel in the economy, one has to go back to the 1930s.

Steel came to Corby because this part of Northamptonshire is rich in ironstone. To exploit the *natural resources. Stewarts* and Lloyds decided in 1934 to build an integrated steelworks around Corby, then a village of 1,596 *people. The* works were to produce the basic steel and then roll the ingots into pipes and tubes.

Stewarts and Lloyds was a Scottish firm, producing on the Clyde, and it managed to induce *some of its workforce* and *some* of those unemployed at the time to make the move south. It offered housing—it built 2,200 houses right next to the works, thereby recreating the slum conditions of the future from which *the Glaswegians* had *just* escaped. But the great inducement in that troubled decade *was that it offered work.*

Legacy

The legacy of the move *is seen, socially,* in many directions even today. Glasgow Rangers has a social club in the town with its own premises; Celtic has a *supporters* club. There is a scheduled daily bus service to Glasgow and on Saturdays *in the season the* coaches roar north full of supporters for one or other of the soccer teams. Haggis are on *sale in Woolworths and it is* still impossible to go far without hearing broad Scottish accents.

But the growth of the works outstripped the ability of an urban district council to provide the necessary services or *find work for the women.* So in 1950 Corby was designated a New Town and its Development Corporation *was given* responsibility for housing, building civic amenities and attracting sufficent industry to provide a *balanced economy.*

It was envisaged that the town, then with a population of 15,700, would grow to 40,000. In 1960, however, the ground rules changed: Stewarts and Lloyds was given the go-ahead for an extension to the plant which, it estimated, would necessitate *another* 2,500 workers. Consequently, the new town's population ceiling was revised upwards to 55,000, and *its boundary expanded.*

The company, however, had second thoughts and the expansion never took place. Corby was, *in consequence,* committed to an expansion for which there was no economic need. To try and take up the slack negotiations were entered into to link the town with the Greater London Council as part of the latter's overspill scheme.

The town's population is now around 52,000, just short of the target figure. But it is the uncertainty over the future of the *steelworks that is* causing the greatest concern. That uncertainty is not made any easier *by the fact that the unions have* refused to meet the Steel Corporation to discuss matters and have been turned down in an appeal to the Minister, Mr. Eric Varley, for an interview. Inevitably, into the vacuum has stepped a "fighting" organisation, a *Left-wing group called the Retention of Steelmaking at* Corby.

Neither the Development Corporation nor the local authori*ties has given up hope that some* form of assistance will be forthcoming. The European Economic Community has been petitioned, to be told that it can only help regions which are designated as assisted areas, which Corby is not. Corby approached the Government *but* the response has not been favourable. It is admitted that the town has problems but since *it is in an otherwise affluent* part of the East Midlands it is not considered to be a prime *area for help.*

A submission has also been made for the Inmos project to come to the town. Here again, though, the unstated view of the Government is that Inmos should go to a development area.

The *only avenue* that *might* be fruitful—delaying the handover of power by the Development Corporation to the *New Towns Commission*—is bedevilled by local politics. Such a step could only come at the behest of the district council and the county *council, but it* is unlikely that either of these would support such a move. They have already gained the Development Corporation's *housing powers*—and stock of houses—and now look forward to taking over its industrial role.

That role would be better left in the hands of the Corporation since it can act faster. Since that is *almost certainly* unacceptable to the Government, some form of industrial executive might be considered. *Government thinking,* however, appears to be that the day of the new town is approaching its end and that democracy demands the handover of powers to elected authorities.

It is anticipated that Corby will be the first new town to be *switched* over to the New Towns Commission since Crawley and Hemel Hempstead *in 1962 and Hatfield in 1966.* Harlow and Stevenage will follow later next year and the others at determined dates. However, no date has been put for the transfer of powers at either Aycliffe or Peterlee because of their employment porblems, an ironic decision in *view of Corby's difficulties.*

Substantial

What the town would like—and certainly needs — *is* another major employer of some consequence. After BSC with its 11,000 employees the next largest employer is Golden Wonder, the crisp firm, with some 600 people. It had a *fairly substantial* concern, British Sealed Beams, which employed nearly 1,000 at its peak, but this closed last year and no *replacement* has been found on the same scale.

Corby's problem is that it has no Government-backed financial inducements to offer since it is not in an assisted area and no simple communications with *the outside world.* It is between the A1 and the M1 and not easily approached from either. It has cried out for years for a good road *link* but it only *succeeded* last month and it will be a couple of years before the road is built.

Corby has been quite successful in attracting firms. *For a* while, in the 1950s, the Government was unwilling to allow it to develop at a fast speed and only relented when it was *essential to find work for its* women workers—the town still suffers from having a higher proportion of its women unemployed than its *men.* At the end of last year 7.8 per cent of its women were out of work, compared with a *national* average of 4.3 per cent, at a time when the figure for unemployed men was 6.9 per cent.

The Corporation has built some 60 factories and a dozen smaller units providing work for 1,800 men and 2,500 women.

There are a further five firms in the pipeline, one of which will be a furniture warehouse and anther a boatbuilder, Betweenhem they will occupy 120,000 q ft of space and provide ›rk for at least 200. The thie *others* will be smaller. he Corporation is also still preang ahead with its advance ctory building programme espite the *fact* that *some of te units will not* be completed until after its powers hav been handed to the local authdties.

All this though, is almost *spitting* in e wind. A hundred here, a huired there will be little more han a pinprick if BSC *dispens* with up to 6,000 jobs. Doubess, the Government wouldthen launch same form of emgency programme *as it did in almouth after the* shiprepair yal was threatened. What Corbyis pointing out, with justificion, is that it would then e too late *for* effective actia and now is the time to mov. Tomorrow may be *too late, later this year* almost certaiy will be. Government appes not to see it that way.

6,000 steel jobs at risk

TIME IS not on the British Steel Corporation's *side* over the issue of whether or not Corby iron and steelmaking should be phased out and the *works supplied with steel from* more efficient plants in the North East.

During the past year the Corby management has done *everything possible,* with shopfloor co-operation, to cut down the financial losses of the local ore mining, the blast furnaces, and the *steel furnaces* by attention to detail and good housekeeping in the plant. But Corby *is still* expected to contribute at least £10m losses towards British Steel's expected losses of up to £350m in the *year* 1977-78.

Some internal Corporation estimates put the overall annual saving at more like £40m in an average year from now on if the works can be fed with low-cost *steel* from the *modern* Teesside facilities.

Priority

Absolute priority is being given by the Corporation's management to restoring nationalised *steelmaking* in Britain to viability after four years of heavy losses. Little can be done to restore profits by *increasing* steel prices because BSC is operating in a competitive international market. The only real way *forward is to concentrate* steelmaking upon a few big works which have been modernised and expanded during the past few years until they rank among some of the best steel-producing plants *in the world.*

That policy means that the efficient works must be loaded with all the steel orders available and the older works such *as Corby closed. Six major* works in the British Steel organisation were closed last year with the loss of 17,000 *jobs. Now a new round of* closures is under way starting with Bilston in Staffordshire *(the workforce has been given* 12 months' notice of closure there).

The wish of the BSC management is that Corby should be *the next major steelmaking unit* to close. If *that objective* is achieved the Corporation must be expected to turn its atten*tions to steelmaking at two other* old plants — Shotton, North Wales, and Consett, Co. Durham.

The steel committee of the TUC understands well enough the need to *shed* more unwanted plants — and j o b s — within British Steel if the Corporation is to be brought into line with the best international *manning levels of steelmaking.* But they are also aware that the British Steel payroll has already ben reduced by some 40,000 jobs *over four years. The prospect* of up to 6,000 steel jobs being lost at Corby by a single decision—with the probable loss of a further 2,000 jobs dependent upon the iron and steel plant locally—is a chilling one *to the leaders of the steel* unions. British Steel will not recognise, or negotiate with, the local action committee called ROSAC (Retention of Steelmaking at Corby), and the TUC steel committe is reluctant to enter negotiations about the future of Corby at national level.

The time that British Steel says it *cannot afford* to provide over the Corby issue may yet be insisted upon by the workforce. If they carry out their threat to refuse to work with steel "*imported*" *into* the Corby tube works from Teesside then it would be almost impossible to close the iron and steel making *side of Corby.*

Unique

For the Corby plant is not *just another steel works whose* function can be duplicated elsewhere. Corby is in a unique position as the main centre for *British Steel's tubes production.* During the last few years continuing investment has maintained the tubes *mills* at Corby to modern *standards* and the Corporation intends to further improve them with a current £45m investment programme.

Whether the steel is made locally or brought from another works the tubes business will have to continue as as essential part of British Stel's range of products.

Iron and *steel aking at the* existing Corby lant cannot compete in the ndern world because *it is based pon* locally-dug ore which has a very low iron content—onlyabout one-third iron. In contra, imported ores *which are nowised at the* coastal steelworks, hye an iron content of some twoirds. Taking into account thequantities *of coke used and bist* furnace time iron can be ade much more cheaply using te big furnaces at the coastal orks and *the imported ores.*

*There is little hopeof a com*promise solution for e Corby iron plant. It would b prohibitively expensive for inance, to *transport* imported res to Corby from the coast

Roy Hodson

Coping with high unemployment

ALTHOUGH CORBY's BSC plant was not included in the 1975 Beswick review of projected steelworks closures, there can be little justification for surprise at the town's present plight. Steelworkers there have known for more than five years that 1980 would be the time for a major decision on the future of steelmaking there.

The 1973 White Paper on BSC's Ten-Year Development Strategy gave an assurance that steelmaking would continue in Corby for "at least the rest of the present decade." It added, however: "The steelworks is the major employer in the town and a final decision on the future of steelmaking will be taken in the course of the next few years in consultation with those concerned."

The second reason why the seriousness of Corby's present situation should never have been underestimated is that it is a town which has always been highly sensitive to its own vulnerability. Major steelmaking closures in other parts of the country have caused serious disruptions to local employment but there has yet to be a closure that threatens to cause the death of an whole town.

Corby's present nightmare is that its already high unemployment rate of 7 per cent will inevitably soar if 6,000 jobs are axed by BSC. The cuts would increase the chances of the tube works eventually being closed too, which would raise total direct BSC redundancies in Corby to well over 11,000.

Training

Thousands more in the town would eventually lose their jobs with the subsequent contraction of service jobs and of ancillary industries—and that is not counting a recently projected 1,200 new school leavers who will be looking for jobs each year up to 1981 and 1,400 a year after that.

Clearly, if it is to survive, Corby has two urgent and fundamental needs. One is major training and re-training programmes and the other is an influx of new employment opportunites.

A detailed study of Corby's workforce resources has been made in a special report entitled "Employment and Industrial Development in Corby" by Coopers and Lybrand Associates and Northamptonshire County Council.

The report, published last January, insists that central government assistance is badly needed. "In order to make a major impact on Corby's employment problem before the town suffers a permanent economic decline from which it might not recover, attraction of one or two large firms employing mainly unskilled and semi-skilled workers would be particularly valuable.

"In view of the acute competition for large mobile firms it might be necessary to make use of IDC (Industrial Development Certificate) constraints in order to encourage such enterprises to select Corby. There is none the less a strong political argument for taking such a step before the situation deteriorates too far."

In this appeal the report recognises not only the size of the problem but the nature of the Corby labour market.

While Corby's isolation in the midst of a large agricultural county and its over-dependence on one industry makes it a town with unique problems, so the character and qualities of the people living there are unusual and need to be fully understood if the town is to be saved.

As the predominance of the steel industry suggests, the skills among the male workers tend to be specifically related to steelmaking. Some of their engineering skills may be transferable to other industries but even so the steelworkers' experience is with large-scale plant and heavy automatic machinery.

A steelworks is dirty and noisy and workers may be working in sweltering heat from the furnaces one day and in exposed wintry conditions elsewhere in the plant on others, but there is room to move about and variety in the job. It would take a steelworker a major readjustment to feel comfortable standing all day on the production line in a light industry factory.

Earnings

Steelworkers are also accustomed to being unionised and to comparatively high pay—average earnings of manual steel workers in Corby are around £4,000 a year. These are both factors with which the town has to contend in attracting new industry.

On the plus side, however, the history of labour relations is good in the works and there is a natural acceptance of shift work.

Another problem for the town is the relatively high number of unskilled labourers among the present unemployed population. About 60 per cent of the men come into this category.

Clearly training efforts have to be aimed at two main objectives; at creating a greater range of skills and at generally improving the quality of the labour force available.

The job of training is shared at present between the formal education system and the Training Services Agency of the Manpower Services Commission. Although there may be a different approach towards teaching skills appropriate to school leavers and among the older unemployed and redundant steelworkers, one major problem applies to both groups. Unless it is known what new industries can be attracted to the town it is difficult to know what skills should be taught.

The new survey argues that one of the main priorities among school leavers is to ensure that they are well equipped to tackle jobs in the town.

Against a background of educational attainments among school leavers in Corby which are rather lower than the average for the county, the report urges improvement of school standards alongside a flexible policy in the technical college to meet labour market demands. In particular it suggests more integration of careers services into school programmes.

On the training and retraining of mature workers, the report says there is a continuing need for improving the skills of workers in order to attract new industry and suggests that the principal initiative for this should come from existing employers in the town — principally BSC itself — and the Training Services Agency.

With a high rate of closures of manufacturing concerns — mainly in textiles, clothing, footwear and engineering industries — to aggravate the situation, however, Corby has the urgent problem this year of drawing attention to its plight amid the cries of help from other areas in Britain facing serious social problems from unemployment and redundancies.

Pauline Clark

Battle over road plans

THE PLIGHT of the 55,000 inhabitants of Corby might be compared to that of a man treading water furiously to keep afloat, while a rescuer on the bank has promised to throw a lifeline—but not for a few hours.

In Corby's case the time-scale is longer, perhaps eight or nine years: the lifeline a new road link to the M1 in the west and the A1 in the east, ending the town's relative isolation in the rural north of Northamptonshire.

With an unemployment rate at 8 per cent already double that elsewhere in this otherwise prosperous Midlands county, Corby's efforts to keep its head above water had already received two big setbacks, in the form of one major plant closure (British Sealed Beams) and one major redundancy programme at British Steel Corporation—overwhelmingly the largest employer—even before BSC announced last month that 6,000 more jobs must go. Fears are now being voiced that Corby will go under for the third time before the lifeline can be thrown.

Nevertheless, Mr. John Horam, Parliamentary Under-Secretary of State for Transport, did announce in the Commons two weeks ago that the Government had finally selected the route for the east-west corridor.

Gap

Officially known as the Green Route, and referred to locally as the "missing link," the road will run from the M1/M6 junction at Catthorpe almost due east to the A1 at Huntingdon. It will thus fill a gap in the national road network in providing a direct route for the growing volume of traffic between the industrial Midlands and the expanding East Coast ports such as Felixstowe. But much more significantly to Corby, it will run just six miles to the south, allowing the town to plug-in to the national road network quickly and easily. The ability to do this is seen as crucial to the town's future, for that future depends now on being able to draw in a substantial assortment of industries to fill the huge employment hole left by the impending BSC shutdown.

It is primarily the lack of a fast link with the M1, 23 miles to the west, and the A1, 15 miles to the east, which has bedevilled Corby in its efforts to attract new industry.

Existing access to Corby, mainly via the narrow, snake-like A427 from east to west on which overtaking is difficult by car and almost impossible for the 700 commercial vehicles using the route daily, is the reason most quoted by companies for rejecting Corby as a potential base for their activities.

The Government's choice of the new route is also that of Corby itself and of Kettering, an older town of 50,000 seven miles to the south and which has a major stake in Corby's future in that nearly 2,000 of its 25,000 labour force works in the troubled New Town.

But the Green Route is disapproved of by Northamptonshire County Council, which put forward its own "alternative strategy." This, is argued, could be executed more quickly, would cost less and, using mainly existing roads, would be less damaging to the countryside. The county's strategy entailed a two-pronged approach: upgrading of the A45 from the M1 at Northampton to Wellingborough and construction of a short new dual-carriageway connecting up with an improved A604 to complete the route to the A1 at Huntingdon; at the same time, Corby's problem road, the A427, would be upgraded, with bypasses of the half a dozen villages straddling the route. Improvement of the A6116 and A6003 roads from Corby southwards would allow it to connect up with the A45-604 east-west route.

Arguments over the relative merits of the two proposals have led to acrimony between the district councils involved and the County, as well as to the formation of rival lobby groups. The Local Authorities Green Route Co-ordinating Committee, which includes neighbouring Leicestershire County Council to the west has backed the Green Route, while "Malrac," the M1-A1 link Action Committee has vowed to fight the Green Route in its progress east from Catthorpe to Kettering through 15 miles of farmland and fox-hunting country in the wealthy western portion of the county. With a public inquiry into the route certain, Naseby, which the Green Route will pass closely to the north or south, seems set once more to be a battleground . . .

Corby and the Green Route proponents, while still pushing for early improvements to the existing A427 insist that the County's proposals would not have met Corby's urgent needs; rather, they would have given further help to the south of the county, which Corby and Kettering claim is already over-developed and in possession of an infrastructure in excess of its requirements.

Although the County already has an A45 improvement programme under way, Corby and its cohorts on the Green Route committee also dismissed the county's assertion that the alternative strategy could be completed more quickly than the Green Route—not least of the problem being that much of the A427 runs through Leicestershire, which has said it could not expect to upgrade its section of the route within for another six to ten years.

With that argument now accepted by the Department of Transport, the most important question remains just how quickly relief can be brought to Corby. With the inevitable public inquiry still standing in the Green Route's way, a start before 1982 appears unlikely and, without a major new central government initiative, completion does not seem on the cards before 1988.

The County, which may yet oppose the Green Route at that inquiry, insists, however, that Corby retains top priority for county assistance and is seeking an urgent meeting with the Transport Minister, Mr. William Rodgers, on ways in which intermediate help can still be provided in the form of upgrading existing roads. "It is important," says County Surveyor Mr. Michael Cottell, "that the selection of the Green Route does not mean that other roads leading into Corby are denied the funds they so urgently need."

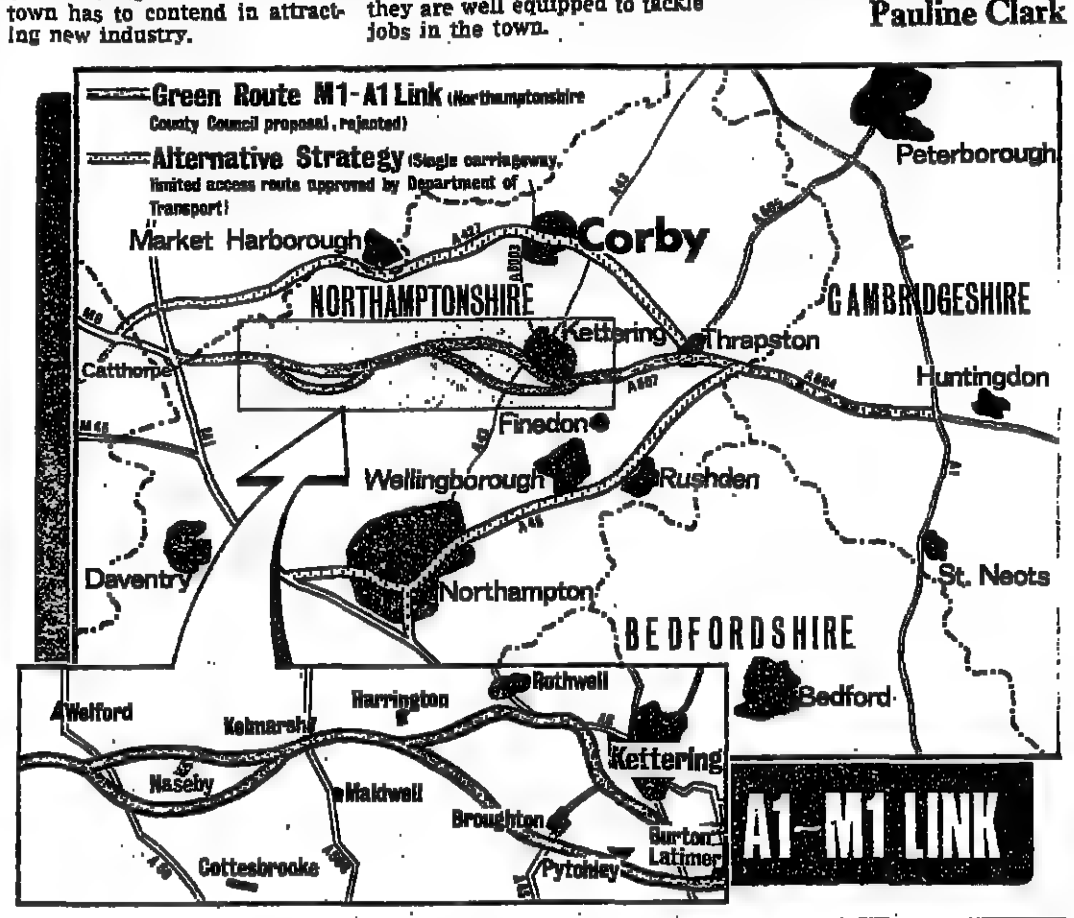
Apart from improving the A427, which the county regards as still necessary, it is concerned that in particular the A6116 running south from Corby should, and could, be upgraded by 1982. "Certainly the eight to ten years for the Green Route is not good enough," insists Mr. Cottell—"Corby will be a dead town by then."

Corby and the county are united in seeking special help, including EEC regional funds, for interim improvements. "Like every other county council, Northamptonshire's ability to spend on these roads is dependent on the rates," points out Mr. Cottell. "While the spirit is there on the County Council to solve the communications problems of Corby, to actually spend the money needed, when needed, would represent a major slice of the county's capital programme, if not all. But Corby was a new town built in the national interest. With the change in circumstances of the national steel industry, the last thing the County Council is prepared to accept is that we pick up the tab. We have our priorities, we have our responsibilities—there is a very substantial national contribution to be made."

Corby does have an existing rail line—but only into BSC's plant beyond the town's outskirts. It would be possible for new industry locating nearby to use the rail facility, but to put Corby back on to a main line passenger and freight link is regarded as uneconomic. And the varied light industry which Corby is primarily seeking to attract in any case tends to be much more heavily reliant on road transport.

The town thus, for the moment, continues in limbo, with an interim programme of road improvements, if carried out soon, representing a life-jacket rather than a lifeline.

John Griffiths



Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RETAILING

Speeds up service at the pump

MAINLY for use at self-service filling stations where there are already data connections between the pumps and the cash desk, a system from Hasler (Great Britain), made by Utax in Germany, puts pump signals straight into a special cash register, computing the amount to be paid.

At present, cashiers are frequently faced with reading pump data from a display and transferring it to the cash register.

With the Utax 3000 GS the customer will get a printed cash receipt; account customers are provided with an invoice immediately for signature, with their own copies. Other items sold to the customer are keyed in as usual.

The site manager can be provided with printed reports on a daily, weekly, or monthly basis. Cash, credit, credit coupon, credit card, and other revenues are easily identified as well as data on cash paid out or received on account, and discounts. A separate record of all credit card transactions can be printed out, showing date, card number, and the amount.

The equipment can handle three levels of VAT and each rate can be applied to the department totals.

Approval for the direct pump-connected application of 3000 GS is at present being sought by Hasler from the Department of Prices and Consumer Protection. Elsewhere in Europe some 4000 systems are already in operation.

More from the company at Commerce Way, Croydon CRO 4XA (01-686 0901).

An announcement has also been made by Avery-Hardoll of Downley Road, Havant, Hants (0705 486422) of interest to filling station owners. This is about a new pump, controlled by a pair of microprocessors, which is for attendant-operated sites (some 80 per cent of UK stations, according to the company).

Known as the Mark 5, the pump uses the micros to count pulses, compute prices and control displays. In addition, they monitor mechanical and electrical functions and indicate any attention required. Conversion to *self-service* use is possible, and conversions to litres is by means of a single wire link.

Two line price marker

LATEST price marking gun from Pitney Bowes, Harlow, Essex (0279 416771), the model 1115, prints up to 16 characters on two lines and is a response to demands from European retailers to be able to put more data on to produce.

The device makes use of half-inch pressure sensitive roll material which the gun cuts to make a label on application. Using a pair of knobs, the top line of type can be set to read a variety of numbers or codes and the bottom line price.

Made from lightweight, durable plastics material, the gun weighs only 10 ounces and will be suitable for grocery and freezer outlets and department stores.

Automation in small stores

ELECTRONIC point-of-sale equipment for the smaller store, with two-way communication between stores and head office, has been placed on the market by the data processing division of IBM United Kingdom.

Two new point-of-sale terminals, the IBM 3684 and IBM 3683, are available. In combination, they offer programmable functions for price look-up, credit verification, data capture, etc. for companies with chains of smaller stores.

The 3680 is a floppy disc based system. It permits information held on disc to be accessed by the terminals. This disc also provides storage for sales and administrative data which can be processed in the store by the programmable terminals, or by a central computer.

In the 3684 there is a combination control unit and point-of-sale terminal incorporating 985,000 characters of random access disc storage. The 3684 operates either stand-alone or as a master register controlling a group of attached registers. The 3683 is a micro-processor driven point-of-sale terminal, which attaches to a 3684 to provide a multi-register cluster.

Each has a bi-directional printer with up to three print stations and a choice of programmable keyboards.

Magnetic or OCR wands for ticket reading are provided and modular construction allows the keyboard, displays and cash drawer units to be located up to 12 cable feet from the terminal, if required.

Data storage capability gives a basis for specialised applications such as stock management, gross profit margin analysis, staff scheduling, price management and merchandising by specific location. Combination of in-store processing and easy communication to a central computer gives flexibility to choose between local reporting and central processing for particular circumstances.

IBM (UK) on 01-935 6600.

● METALWORKING

Keeping meals hot on wheels

FOLLOWING ITS war-time manufacturing activities of making Sten gun parts, heating ducts for bombers and plumbing for pre-fabs, Grundy (Teddington) concentrated its efforts in 1946 on light engineering, and reckoned itself to be one of the first companies to realise the potential of aluminium as a material of the future.

After the introduction of its first production line aluminium milk churn, it won a Ministry of Food contract to produce 48,000 of these Grundycans as part of the defence effort.

Since then it has developed new production techniques and welding methods and expanded its scope and the Grundy hallmark has now become synonomous with food container and catering equipment fabrication, at Somerset Road, Teddington, Middlesex (01-977 1171).

Whether it be school dinners, meals for pensioners or the incapacitated or menu-chosen food for hospital patients, anything hot and edible may be served from equipment made at the factory.

Part of a bus depot, the factory has just been increased to 60,000 sq ft. Production capacity has grown because of the installation of additional new equipment including an extra 75-ton power press—bringing the total of these machines up to six—extra trimmers, drills and welding equipment.

A Wiedermann computerised punch machine has speeded up stamping work from 15 minutes to four minutes with the result that costs as well as time have been reduced, says the company.

One of the most sophisticated systems for smaller hospital kitchens is the Finessa "mini" conveyor belt, suitable for both plated or trayed meals. Available in lengths from 3 metres upwards, it comprises a conveyor belt with the company's own bain Marie units, each individually controlled by on/off switch and thermostat.

Giant trolleys, for serving on hospital wards, have been designed to contain meals which have been pre-selected by patients, and these trolleys enable distribution to bed-sides within minutes of leaving the kitchen. Apart from hot meals, ice-cream and cold puddings are served from a refrigerated compartment, and the design of the unit emphasises the minimum of delay in food distribution.

Many smaller items are manufactured, including storage containers, mobile tray stands, water feed cisterns, sackholders, beer kegs, etc.

Welders for many jobs

A NUMBER of semi-automatic welding machines have been introduced by ESAB, Gillingham, Kent ME8 6PU (0634 34455), offering welding facilities between 160 and 500 amps.

Machines designated A10 160K and A10 250K are suited to sheet metal work and light-weight production welding and are likely to prove useful in small workshops and for car body repair work. Both have a self-contained wire feed arrangement.

The A10 series on the other hand has a separate wire feed unit and there are four models working at 200, 315, 400, and 500 amps. Counterbalance arms and other variants can be supplied.

Third series, A9, offering 200, 315 and 400 am currents has a push-pull wire feed system and is suited to welding with soft wires such as aluminium or when the job requires longer than normal welding hoses (up to 16 metres in length).

Design of all the units is on a component basis and standardised modules allow the purchaser to specify basic equipment, custom build, or incorporate items into special machinery.

● ELECTRONICS

New look for process control

ALTHOUGH at this stage no further proof can surely be needed of the value of the microprocessor in modernising industrial systems, some very telling evidence is nevertheless provided by Turnbull Control Systems, Mulberry Lane, Goring-by-Sea, Sussex BN12 4RB (0903 503041).

In a way this company has turned the wheel full circle in process controller philosophy. The analogue process controllers of the 1950s, admirable to the extent that they dealt with one process loop (variable) at a time, did not lend themselves well to complete automatic plant control.

So direct digital control naturally followed, in which banks of controllers were directly replaced by a computer. But, claims Turnbull, the result was the destruction of individual control loop integrity, a computer malfunction perhaps completely disrupting production.

First use of the micro in 1974 tended to bring process control back to a "unit" level, but typically 8, 16 or 32 loops are controlled by one micro and the integrity problem remains.

Now, plummeting LSI circuit costs have enabled Turnbull to take its next step—application of one micro to each loop giving a digital, bus-controllable device at cost competitive with that of the conventional discrete controller.

All controllers are physically identical, the particular controller function required being set up in the internal microprocessor by means of a removeable handheld terminal. The terminal is also used to change control parameters, and can be locked away when not in use to prevent unauthorised alteration of process functions.

Front panel buttons select manual, closed loop control with locally adjusted set-point, or with remote set point control. Transfer between the three modes is "bumpless" and procedureless. The local set point buttons ("up" and "down") work in an accelerating mode: the longer one is held down the faster the set point will change. Momentary release reduces the change rate to a low value and the setting can then be "inched" to its final value.

Difference between set point and measured values is shown on a progressively illuminated line of LEDs—one lamp per 1 per cent error.

The control parameters are stored in a non-volatile memory which is battery-supported when the mains supply is removed. This will support the parameters for at least a year while the controller is not powered or is on the shelf. If the battery is failing, the undesignated points on the main display are flashed.

A communications port at the rear of the controller permits the memory to be updated by a computer, and terminals are provided to duplicate the front-panel push buttons, so allowing the controller to be driven from a remote operator panel.

QUALITY CONTROL

Swedes gain big U.S. contract

HIGH PRECISION gauging engineering components, introduced by the Swedish FFV Group, have been selected for a new turbo-engine plant being built for Chrysler Corporation in the U.S. by Avco-Lycoming. The twenty-one FFV Metem 100 systems ordered will be used for quality inspection of shafts, discs, rotors and other precision parts.

The system is already in use at the Volvo factories in Sweden where parts inspected include gearbox and engine components. For example, it takes only eight seconds for 16 characteristics of connecting rods to be checked automatically.

The basic measuring unit has six calibrated measurement ranges, from plus or minus 0.003 mm to plus or minus 1 mm, with scale graduations from 0.1 to 50 micrometres.

Modular design of the system eliminates the need for custom-built gauging equipment, thus reducing costs, simplifying maintenance and repair, and permitting the design of the system to be adapted as needs change. In addition, data from the equipment can be controlled and processed by a computer.

Various different types of measuring units, each with the same external dimensions, fit into a rack which is available in three sizes to accommodate a maximum of six, 12 or 18 modules.

FFV, Industrial Products, Division, S-631, 01 Eskilstuna Sweden.

● SAFETY

Resisting attack

LATEST ADDITION to Chubb's range of safes, the Sovereign, has at the heart of the safe body a single-cast unit made from copper-alumina composite which is said to offer unparalleled all-round resistance to thermic, impact, explosive and drill attacks.

Body casting is encased within a layer of carbon based material to give added thermic protection, and this is surrounded by heavy gauge steel.

Safe door is also formed of a one-piece casting of copper-alumina material and features the isolater boltwork system first developed for the company's award-winning Trident and Treasury Safe ranges.

This system also incorporates tungsten-carbide drill protection and, says the company, advanced anti-explosive devices. When the safe is locked, the bolt throwing mechanism is totally disconnected from the bolt operating handle.

Available in three sizes with reference numbers 46-21, 55-21 and 64-28/21, in a price range of about £5,000 to £8,000.

More from Chubb at Tottenham Street, London W1P OAA (01-637 2377).

● COMPUTING

UK group in Dutch link-up

IN ITS first move to establish a permanent base on the continent, Lowndes-Ajax Computer Service is to acquire I.V.A., a computer service company operating in Amsterdam and Rotterdam.

From April 1, Lowndes-Ajax will own a minority interest in I.V.A., which is currently offering a key-to-disc data preparation service with a turnover of about £½m p.a.

Lowndes-Ajax intends to link the Amsterdam office on-line to its IBM 370/158 and 155 in Croydon, by installing a remote batch terminal, multiplexor and leased line in the near future.

I.V.A. will continue to operate under the management of Fred Vriens and its existing name, as an associate of Lowndes-Ajax. But through it, Lowndes-Ajax will offer its accounting packages service, the use of Simplan for corporate modelling, interactive TI745 terminals and T1771 terminals for general ledger and accounts payable processing. Local software companies in the Netherlands will undertake the development of custom-built systems for I.V.A./Lowndes-Ajax clients.

IVA is at 29 Scheepmakershaven, Rotterdam, Holland.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

The man who risked all on a printing gamble

BY JASON CRISP

Profile

FEW CHAIRMEN of public companies can boast that they own 25 per cent of the equity. Still fewer have reached that position without either having founded the company in the first place or being endowed with some vast family fortune. Christopher Bland has found a third way.

Just over three years ago the quality printing company of Sir Joseph Causton and Sons was within a hair's breadth of insolvency. Although quoted, it was a subsidiary of a discount house, Smith St. Aubyn, which owned 56 per cent.

Bland, who at the age of 37 had already turned around one company, bought 26 per cent from Smith St. Aubyn. The sum was undisclosed, but today it is worth around £700,000, on paper at least.

Sir Joseph Causton—one subsidiary incidentally publishes the Stock Exchange Official List—used to be something of a city plaything, with the major stake changing hands several times.

In 1973 Caustons made a pre-tax profit of £358,000 on sales of £7.2m and it had cash on deposit of £2m. Yet by 1976 it had suffered an adverse cash swing of £5m and had accumulated bank overdrafts totalling £3m, nearly twice shareholders' funds.

It would be premature to say that it has now been fully restored to health, although it certainly looks much more robust. For the year ending September 31, 1978, pre-tax profit was £685,732 on a turnover of £10.8m and the company paid a modest dividend—the first in four years. Perhaps most important — certainly in Christopher Bland's eyes—the gearing is beginning to look more respectable, although it is still 70 per cent.

Bland's career has been unconventional; he seems to have had a curious ability to find himself in several moderately senior jobs without—at first sight anyway—any particularly relevant experience for them. He has been a marketing man, a mangement consultant, a director of corporate finance for a fringe bank and the managing director of a West Country engineering company.

After Oxford—second class honours in Modern History—and National service he joined Currys, the chain of electrical goods shops, as assistant advertising manager, in 1961. First and foremost he says, it was because it paid most—"When most graduates were earning £800 I felt very rich earning £1,000 a year."

After two years he made the only really predictable move in his carer by moving to Singer as retail marketing manager of its UK sewing machine division, where he stayed until 1965. He then decided the best way to gain the broader knowledge he wanted was to join a firm of management consultants.

After applying to several he was offered jobs by McKinsey and Booz, Allen and Hamilton. He chose the latter because it was smaller and because he suspected that McKinsey was a bit conservative. "The brigadier who interviewed me asked me where my hat was as I was leaving."

Consultancy was very demanding, he reflects. Although he won the job on the merits of his marketing experience, he soon launched into work on organisation and structures, "on the grounds that everyone and no one knows about organisations." Although he hastens to add that he was heavily supervised, it was one of the occasions when Bland found himself doing something about which he ostensibly knew nothing.

He spent seven years at Booz Allen working with a variety of industries and for companies including BAT, Shell and Plessey. In 1970 he became director of Booz Allen in the UK. During this period Bland was elected as a Tory member of the Greater London Council for Lewisham and became chairman of the schools' sub-committee, which had a budget of over £100m. In 1970 he became chairman of the Bow Group.

Another spin-off from his political activities was his appointment as deputy chairman of the Independent Broadcasting Authority in 1972, a position he still holds.

After two years of running Booz Allen and Hamilton he made another sharp change in direction by joining the board of that ill-fated fringe bank First National Finance Corporation as director for corporate finance.

More fun

There were several reasons behind this apparently inexplicable change. The only way forward at the consultancy, he says, was either to move to Europe or the U.S., neither of which he particularly cared to do. He also felt it had been a lot more fun being a management consultant than actually running a consultancy, and he could only see the administrative burden getting greater.

He spent a brief year at FNFC, though he reckons it was still quite a useful one because it introduced him to the City. "Up until then I don't think I had ever met a stockbroker or corporate lawyer in 13 years of business experience."

In 1974 he became group managing director of Beyer Peacock, a Somerset-based light engineering company which at the time was making losses and was furiously fighting off a bid from the Irish company Moore Holdings—which subsequently went into receivership. Again his qualification for the job was not immediately obvious, although this time he was head-hunted—the coming of age for executives everywhere.

Inevitably there was internal resistance to his appointment—after all, what did he know about running an engineering company? Bland reflects though, that it is rather easier to go into a company which is losing money because one is armed with the incontrovertible argument that, however long the management has been doing it, it is not doing it right. Two of the three managing directors of the subsidiary companies left within a few months.

The original bidder was successfully fought off and Bland spent the next two years restoring the company to a modest profit. The major problem was the Space Decks subsidiary which made steel tube frames for the construction industry—and a thumping loss of £200,000 on sales of about £1m.

The product was sound and there was a good workforce, he says, but the company was being rather slackly run. Much of the revival was achieved by cashing in on the Middle East construction boom —which was ironically to lead to Bland's downfall.

In 1976 Beyer Peacock's biggest customer, the Saudi Arabian company National Chemical, bought a large holding—36 per cent—most of which was the stake held by the now failed Moore Holdings: it then took it over against much opposition. Bland left shortly afterwards.

At that time Smith St Aubyn owned over half the shares in the ailing Sir Joseph Causton and was wanting to reduce its holding. Bland bought two million shares from the discount house on the suggestion of Robert Fleming, the investment bankers. Although the price was not disclosed, he says it took all he had. Although the sum is unlikely to have borne much relation to it, the market price was 8p at the time, valuing his stake at £160,000.

Bland reflects that he probably would not have done it if he was not a bachelor: "It would have been a very brave man who took the risk if he was married and had three children." He is still unmarried. Bland has made a number of changes to pull Caustons back to health—see below—but he agrees that the key test of his success will be how well the company fares during a recession.

His dream for the future is that Caustons will be one of the fastest growing companies in the UK five years from now. It is certainly an ambitious dream.

Freddie Mansfield

Christopher Bland—a zig-zag career that took him to the top

Pressing Causton in the right direction

CAUSTON'S performance had been erratic before 1975, but by then it was disastrous, with a group net loss of £2.1m. About half of this was accounted for by losses on an investment in a French company, Imprimerie Chaufour SA.

The second major problem was a bindery which Caustons had bought, but had had to close. Bland says there were also "straightforward old-fashioned operating losses."

Bland's two immediate tasks on joining Caustons at the beginning of 1977 were to turn around the trading losses and to reduce the very high gearing. The worst trading losses were at the large works at Eastleigh, near Southampton, which as a high quality colour printer was particularly sensitive to consumer spending and had suffered badly in the post oil crisis recession.

Eastleigh represents one of Causton's six divisions, which are of very unequal size. The second, Eastern, has been continuously successful and prints scientific and legal books. The Stock Exchange Daily Official Lists are printed by the Couchman division in the City. At its other London works it has two divisions, London, which prints company reports and accounts, and Cartons. Finally there is Publishing, with a staff of one.

At Eastleigh, Bland cut the night shift, which had barely any work, making 60 people redundant, and increased prices, which had been cut to try and retain business through the recession. He admits that Caustons has benefited from the relatively healthy demand over the past two years but says he hopes he would have the courage not to cut prices in a renewed recession.

One problem at Eastleigh has been getting maximum use from every part of the works which includes platemaking, reproduction and finishing; not every job makes use of all these facilities. To use them better, Caustons now does finishing and binding for other printers.

In London there were also trading losses—£150,000 a year —which were recovered by reducing staff from 40 to 50. He says it took three months for him to realise that it was the only way to make it viable and another six to negotiate with the print unions.

Bland happily gives much of the credit, especially for the negotiations, to Causton's managing director John Grainger who has long experience of the printing industry.

In 1977 trading losses were £227,887—although thanks to Temporary Employment Subsidy the company was able to show a pre-tax profit of £318,231. The extent of the subsequent turnaround was seen in the figures for the year ending September 30, 1978, when Caustons made a trading profit of £569,052. TES — now exhausted—boosted this by a further £116,680.

The performance of the Eastleigh works is still in need of further improvement; it accounts for two-thirds of the company's turnover and capital employed, but only one-third of the profits. There are still problems in getting the mix right between reproduction, machining and finishing.

Sir Joseph Causton's balance sheet now looks healthier, with bank loans and overdraft reduced to £1.8m in 1978 from £2.4m the previous year, though gearing is still 70 per cent. Bland says he regards a figure of 35 per cent as being satisfactory—and he'll be pleased if he achieves that by the end of this year and disappointed if not by the end of next. He has hopes of reducing this to around 50 per cent by moving one operation from Winchester to Eastleigh and selling the freehold—worth he claims £550,000.

The only capital expenditure has been £100,000 in London on machinery for print and packaging for the pharmaceutical industry, an area Bland hopes to expand. Another new venture has been the publishing of a Middle East diary.

The question remains as to whether Caustons can continue to climb out of the mire, perhaps more to the point, whether it could survive another recession without "major problems. Eastern division has always made a profit, says Bland. London will not make a loss of £150,000 again—"that business is all right now"—but this still leaves Eastleigh, which is also the most sensitive to consumer demand.

BUSINESS PROBLEM

BY OUR LEGAL STAFF

Capital gains and a change of lease

I have the opportunity of purchasing the freehold of a lock-up shop and separate flat premises which I am holding at present at an annual rent under the terms of a 21-year lease which has about 10 years to run. The flat is let furnished on a short-term lease. If I purchase the freehold I plan to sell the flat upon the basis of a 99-year lease.

Could you give me advice in this matter outlining my possible Capital Gains Tax position?

From the bare facts given, it seems unlikely that you will be assessed to development land tax or income tax (under section 488 of the Taxes Act), in respect of the grant of the 99-year lease.

The grant of the lease will constitute a part disposal of the freehold of the entire premises, in accordance with paragraph 2 of schedule 3 to the Capital Gains Tax Bill (or para. 2, sbc. 8, FA 1965, if the lease is granted before April 6):

"Premiums for leases. 2—(1) Subject to this Schedule where the payment of a premium is required under a lease of land, or otherwise under the terms subject to which a lease of land is granted, there is a part disposal of the freehold or other asset out of which the lease is granted. (2) In applying section 35 of this Act to such a part disposal, the property which remains undisposed of includes a right to any rent or other payments, other than a premium, payable under the lease, and that right shall be valued as at the time of the part disposal."

You will undoubtedly need professional assistance in agreeing the valuations needed for capital gains tax purposes (under clause 35 of the CGT Bill): the cost of such valuations is itself allowable in the CGT computation (under clause 32(2)(b) of the Bill).

If your existing leasehold interest was obtained by assignment (or by grant for a premium, partly relieved under sections 83 and 134 of the Taxes Act), the CGT computation may be quite complex.

*

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Business courses

Conducting Quality Audits, Gerrards Cross, Buckinghamshire. June 5. Fee: £55 plus VAT. Details from Conference Secretary, Executant, 29 Octagon Parade, High Wycombe, Bucks.

Leadership Motivation, Bradford, June 5-8. Fee: £230. Details from Bradford University Management Centre, Heaton Mount, Keighley Road, Bradford, West Yorkshire BD9 4JU.

Practical Sales Forecasting. Brussels. May 30-June 1. Details from Management Centre Europe, avenue des Arts 4, 1040 Brussels, Belgium.

Participative Management. London. June 6. Details from Executive Secretary, Courses and Seminars, Management in Action, 121 St. James's Drive, London SW17 7RP.

Saudi Arabian Business Strategies: Prospects and Perspectives, London. June 7-8. Details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2 2HD.

Strategy and Management of the Research and Development Function, London. May 29-31. Fee: Fl 1,800. Details from Bakkenist Management Consultants, Emmaplein 5, 1075 AW Amsterdam, Netherlands.

The Skills of Storekeeping. Leamington Spa. May 22-23. Fee £100. Details from Purchasing Economics, Pel House, 35 Station Square, Petts Wood, Kent BR5 1LZ.

LOMBARD

Training the micro-makers

BY DAVID FISHLOCK

THE FRAGILE relationship between advanced technology and manufacturing industry in Britain today is nowhere brought into focus more sharply than in the case of Cambridge Instrument and the micro-electronics industry. This hapless company, with its long record of financial troubles, lost a further £3.3m last year, in spite of a 79 per cent holding by the National Enterprise Board —now increased to 87 per cent. Should the company fail, or be steered away from one of its most sophisticated activities, in search of profits, British micro-makers could find themselves disastrously short of senior staff in the 1980s.

Relations are balanced like this. Cambridge Instrument was born of the entrepreneurial ideas of several Cambridge researchers. It made itself world-famous in the 1960s for its electron-beam instruments, by drawing upon research in which the University of Cambridge was leading the world.

Two-year trial

Cambridge Instrument has taken orders for 18 of these machines, mostly overseas from the pioneering laboratories of Japan and the U.S. But Whitehall has recognised the importance of the technology to Britain's own aspirations in micro-electronics. The Department of Industry placed pre-production orders for three. Plessey received the first, earlier this month. GEC and the Post Office expect delivery soon. They will repay the Government after two years if they are satisfied. Neither Plessey nor GEC would have plunged until there was feed-back on the machine's performance from overseas rivals had the Government not financed the two-year trial period.

But a fourth British order may prove much more important. This came from the Department of Science's Science Research Council. It took receipt last week of a Cambridge machine round which it has built a new engineering research facility at its Rutherford Laboratory.

Here British universities in the van of micro-electronics design will have a national laboratory comparable with the best U.S. or Japanese industry can offer in which to try out their ideas. The Science Research Council has already prepared the ground by designating four university "centres of excellence" in the field from among the 44 engineering departments in Britain: Edinburgh, Southampton, Sheffield and Surrey; but the Rutherford facility will be open to any educational establishment with a really good idea.

The micro-makers themselves make it clear that they can see plenty of room for more university research on the technology of micro-electronics, and in the development of new applications of microprocessors, for instance. But a survey by the Science Research Council made it plain that the over-riding importance of this national facility will be in training the engineers and scientists needed to manage Britain's micro-electronics manufacturers in the 1980s.

As one UK micro-maker puts it, no matter how successful the National Enterprise Board's £50m investment in Inmos may turn out to be, the project is not going to attract the best foreign talent to Britain. The nation must attract, train and inspire for itself the exceptionally bright and versatile people the micro-makers will need to compete successfully. Between them, Cambridge Instrument, the micro-makers and the Rutherford facility constitute "a kind of 'teaching factory.'"

Pivotal role

Which brings us back to the pivotal role at this stage of Cambridge Instrument, as the source of a common—and crucial —thread of technology running through the UK micro-makers. The Science Research Council and Department of Industry are jointly funding a £500,000 research project by the company to improve the performance of the machine by perhaps a factor of ten.

As in the case of Rolls-Royce, the importance of Cambridge Instrument to the engineering base of the country is much more profound than the preservation of jobs. The problem which has so far eluded solution is to find a mechanism for exploiting the real assets of such a company and at the same time achieving commercial viability.

Sweet peas—a labour of love

GARDENS TODAY

BY ROBIN LANE FOX

SCENT SEEMS to tantalise my readers, so I will continue the spell this week with some thoughts on the sweet pea. Growers are divided sharply nowadays into ancient and modern, growers of the old peas and the new ones. I enjoy the history of the old ones but for once I prefer the new.

I am not here concerned with exhibitors, though I admire the flowers which they produce and above all the patience with which they nip out those side-shoots every day in the growing season, tie up with raffia and remove the one main growing stem in order to lay it flat to another cane whenever it reaches the top of its wire.

Sweet peas, well grown, are a labour of love. If I had no oher interests, I would gladly devote a summer to them. When computers have cost us all our jobs and when those gloomy voices start complaining that we will all become violent because, like the owner of the gloomy voice, we cannot think of anything to do with our spare time, spare a thought for the sweet pea. It mops up labour as quickly as a new council-office. It gives you just enough to do in a summer morning between the newspapers and the start of the Test Match.

The sweet pea was first recorded as a wild flower in Sicily. It was noted there by a priest, one of the Catholic Church's less remembered legacies. He put it in a book on botany and in 1699 sent seeds at once to the master of the grammar school in our own Enfield. (Dr. Uvedale of Enfield was already well known as the owner of six garden hot houses. No doubt his school was also a forcing-house, but his fame in Europe rested on his rare adventure with a home for exotic plants. The sweet pea, he found, was a drab arrival, short stemmed, twin flowered and a shade of maroon purple which can still be seen on Sicilian hillsides.)

Meanwhile, dried flowers were being sent to a Dutch botanist from the Far East. Among them was word of a new and brighter sweet pea. It appeared to have been found in Ceylon. The first masters of botany took this seriously. They divided sweet peas into a Ceylonese group. It is an intriguing thought. For nobody has ever found such a plant in Ceylon again and experts are almost certainly right to deny its existence. But the owner of the dried flowers was not a stupid or fraudulent man. I suppose that he might have put a sweet pea into the bag by mistake, but it is still just possible to wonder whether a branch-line of the family might not have rambled in the Indian Ocean with good qualities which ought to have been saved.

It rambled, certainly, in the South Seas. In 1744, a ship owned by Lord Anson put in at the Magellan Straits. While the other sailors rid themselves of sea-legs, the cook strayed on shore, perhaps to look for green vegetables. On the beach, he chanced on the Magellan sweet pea, pocketed it and brought it back for gardeners. It was no beauty, but it seem to offer hope of a break into blue colour.

Sicilian and Magellan sweet peas were not very exciting. For two centuries, breeders tried to do their best for them. Some of the results can still be seen in the old Painted Lady strain, offered recently by Thompson and Morgan of Ipswich. These white and rose-red peas are sweet, small flowered and a legacy from 18th century city gardens.

I prefer to skip to the age after 1850 when breeders pushed things along more quickly. They were still private growers. The most enterprising remains the remarkable Henry Eckford who entered the game in 1870 and turned out more than 100 new varieties and contrived several new colours. Almost single-handed, he made men realise that the sweet pea would deserve a bicentenary show in 1900.

It is one of my favourite flower shows partly because of the speeches which survive, also because within one year most of the exhibits were out of date. In 1900, many growers of sweet peas were still clergymen, and their horizons were still missionary. As a background to hymns Ancient and Modern, I cannot resist the bicentenary address to sweet pea enthusiasts which was given by a country parson. "Gentlemen," he told them, "the sweet pea has a keel that was meant to seek all shores. It has wings that were meant to fly across all continents. It has a standard which is friendly to all nations. It has a fragrance like the universal gospel." Hardly had he sat down before the keel took a new and famous direction.

Perhaps the bicentenary exhibition was the cause of it. Perhaps, as now, many good exhibitors were caught short of time. But in 1901 no fewer than three private growers produced sweet peas with wavy edges to the flowers. Nowadays we all remember these fine British discoveries as the Spencer varieties. In fact they were raised by the Earl of Spencer's gardener, a Mr. Cole. Growers throughout Europe have been swept along by them. His first break was shown under the name of Lady Spencer and drew the crowds. But Lady Spencer, says my breeding book, "proved variable." No doubt, she did. Other way-edged varieties were more true from seed.

Since then, the sweet peas has not stood still. There have been many recent mixtures, gloriana, and floriana and multiflora. Among the tall, thick-stemmed varieties, you should now consider the large Royal Family strain, a six-flowered variation on the older Cuthbertson sorts which formerly held the field. Patio-mixed and Bijou would fit now into a window box. Knee-Hi would succeed as a bedding plant. There are also scores of single colours developed from the Spencer type, pink and white Mrs. Bolton, deep lilac Leamington and the rest. The sweet pea is a flower where the moderns, to my eye, are all better than the ancients. Antique mixtures claim a superior scent but it seems to me to be no stronger than the best big modern colours. You can still sow the seeds, either straight into rich ground during mid-April or singly into one and a half inch peat pots so that you can bed them out in May without checking the roots, a leathal mistake. It is late for the job, but lateness this year has been a virtue. The sweet pea has come far quite slowly. Preferring its modern form, I still like to reflect on the fate of the old ones which brought them about. It makes one wonder, after all, what might be in store in the wake of the sweet pea's tricentenary year.

Venture to Cognac really stays

RACING

BY DOMINIC WIGAN

THE RACING focus today returns to the jumping season that never was with an interesting card at Ascot.

Among horses due to line up at this meeting are Spartan Missile, Remigio, Prominent King and Venture to Cognac.

It is with an eye to the future that one surveys the Berni Inns Long Distance Hurdle. That fast-improving challenger from the north, Prominent King, will be trying to cope with his equally progressive Lambourn rival Venture to Cognac, bidding for his fourth successive victory. These two may dominant roles in next year's Cheltenham Gold Cup.

Venture to Cognac, stable-mate to Midnight Court and Snow Flyer, who must still rank as Fred Winter's best prospects of another Gold Cup victory, was given a 12-1 quote by one leading firm for next year's Champion Hurdle after landing the Sun Alliance Novices Hurdle.

Although the odds against Venture to Cognac racing over hurdles at the 1980 Festival—let alone of his tackling two miles—must be at least 50-1, there is no doubt that he is one of the best staying hurdlers around. With three miles to cover this afternoon, Venture to Cognac must have more than a sporting chance of upsetting Peter Easterby's more experienced Prominent King.

The last-minute withdrawal of Spartan Missile from one of the most unsatisfactory Nationals in recent years gives southern racegoers an unexpected bonus. Britain's outstanding hunter-chaser returns to the fray in the Merlin Hunters Chase.

A clear-cut success will be expected by many, but I foresee Remigio, a winner at Leicester and Folkestone recently, giving him plenty to do.

The Queen will have her first Flat runner of 1979, Strathspey, in the One Thousand Guineas Trial at Salisbury on Saturday.

Among entries for the Two Thousand Guineas Trial are King of Spain, Bolide, Count Carlos, Shack, and Royal Connection. All except King of Spain have been entered for the Two Thousand Guineas.

America's Steve Cauthen, quoted at 25-1 by the Tote for the jockeys' championship, is expected to have his first ride in this country on the Barry Hills-trained Tap On Wood at Salisbury.

In addition to the two classic trials, the course stages two valuable events in the Grand Foods Stakes and the Unicheq Sprint Stakes, both races are sponsored by Unicheq (Holdings). Chairman of the group is Kenneth Cunningham-Brown, who trains under permit at nearby Middle Wallop.

ASCOT

2.00—Spartan Missile
2.35—Special Cargo**
3.05—Tip The Wink
3.35—Venture to Cognac***
4.10—Elpro
4.40—Roadhead
5.15—Mitchelstown*

TV/Radio

† Indicates programme in black and white.

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 12.45 pm News. 1.00 Pebble Mill. 1.45 "Bod's Present." 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Help! It's the Hair Bear Bunch. 4.40 Think of a Number. 5.05 John Craven's Newsround. 5.10 Out of Bounds. 5.35 The Perishers.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.50 The Wonderful World of Disney.
7.40 Happy Ever After.
8.10 Accident.
9.00 News.
9.25 Sportsnight.
10.55 Tonight.
11.35 The Sky at Night.
11.55 Weather/egional News.

All Regions as BBC-1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 11.55 News and Weather for Scotland.

Wales—5.10-5.35 pm Bilidowcar. 5.55-6.20 Wales Today. 6.50 Heddiw. 7.10 Florida. 7.40-8.10 Stewart Tudor and Cousins (cabaret). 11.55 News and Weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.55 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich). Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
10.20 Gharbar.
10.45 Parosi.
11.00 Play School (as BBC-1 3.55 pm).
2.25 Racing From Ascot.
4.50 Open University.
6.55 Family History.
7.20 Mid-Evening News.
7.30 The Long Search.
8.20 Reputations: Richard Crossman—Chronicler of the Cabinet.
9.00 Spike Milligan in Q8.
9.30 Play of the Week.
10.30 Late News.
10.45 Tito Gobbi's Tuscan Summer: Gobbi talks about his Opera Workshop.

LONDON

9.30 am Noddy. 9.40 Cartoon Time. 9.50 A Big Country. 10.20 Westside Medical. 11.10 Survival. 11.35 England Their England. 12.00 Cloppa Castle. 12.10 pm Rainbow. 12.30 The Cedar Tree. 1.00 News. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 3.20 Treasures in Store. 3.50 Andy's Party. 4.20 Under The Same Sun. 4.45 Extraordinary. 5.15 Gambit.

5.45 News.
6.00 Thames At 6.
6.25 Help!
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 Traces Of Love.
9.00 Malta.
10.00 News.
†10.30 "The Werewolf."
12.00 What The Paper Say.
12.15 am Close: Peter Penry-Jones reads the Easter story with a painting by Tintoretto.

All IBA Regions as London except at the following times:—

ANGLIA

9.35 am Betty Boop Cartoon. 9.40 Snooker. State Express Grand Masters Challenge. 10.20 Welcome to the Ceilidh. 10.45 A World Worth Keeping. 11.10 Alright Now. 11.35 Wyatt's Place. 1.25 pm Anglia News. 2.00 Houseparty. 2.25 The Love Boat. 5.15 Winner Takes All. 6.00 About Anglia. 10.30 Feature Film: "Apache Rifles," starring Audie Murphy. 12.10 am The Big Question.

ATV

9.45 am Sport for All. 10.20 A Marriage of Convenience. 11.10 The Mackenzie Affair. 1.20 pm ATV newsdesk. 5.15 The Rolf Harris Show. 6.00 ATV Today. 10.30 The Mid-Week Film. "The New Centurions," starring George C. Scott.

BORDER

9.30 am Technoflash. 9.50 Young Ramsay. 10.45 A World Worth Keeping. 11.10 Alright Now. 11.35 Wyatt's Place. 11.20 pm Border News. 2.00 House party. 2.25 The Family. 6.00 Lookaround Wednesday. 10.30 Late Film, "A Severed Head," starring Lee Remick, Richard Attenborough and Claire Bloom. 12.10 am Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 2.25 Family. 5.15 Emmerdale Farm. 6.00 Channel News. 6.10 Clue Club. 10.28 Channel Late News. 10.32 TV Movie: "The Lost Flight." 12.25 am News and Weather in French followed by Epilogue.

GRAMPIAN

9.25 am First Thing. 9.30 Tandarra. 10.20 The Lost Islands. 10.45 A World Worth Keeping. 11.10 Alright Now. 11.35 Wyatt's Place. 1.20 pm Grampian News Headlines. 3.50 First Act. 5.15 Emmerdale Farm. 6.00 Grampian Today. 10.30 Reflections. 10.35 The Wednesday Western: "There was a Crooked Man," starring Kirk Douglas. 12.25 am Grampian Late Night Headlines.

GRANADA

9.30 am Sesame Street. 10.25 The Outsiders. 11.15 Flashback. 11.35 Cupboard. 1.20 pm Dodo. 2.00 Live from 2. 5.10 The Unusual Adventures of Captain Nemo. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Give Us a Clue. 10.30 The Wednesday Film: "Good Against Evil." 12.05 am What the Papers Say.

HTV

9.50 am Mesudo—City of Destruction. 10.20 Welcome to the Ceilidh. 10.45 World Worth Keeping. 11.10 Alright Now. 11.35 Wyatt's Place. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Emmerdale Farm. 10.30 Film: "The Loved One."

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Rydw I Am Fod. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

9.30 am Tonga Royal. 9.50 Prospect of Scotland. 10.20 Welcome to the Ceilidh. 10.45 World Worth Keeping. 11.10 Alright Now. 11.35 Wyatt's Place. 1.25 pm News and Road and Weather. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Report. 10.30 Late Call. 10.35 Feature Film. "Savages." 11.50 Love American Style.

SOUTHERN

9.30 am Solo One. 9.55 "Man in the Moon," starring Kenneth More. 11.35 Stars on Ice. 1.20 pm Southern News. 2.00 Houseparty. 2.25 Young Ramsay. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 6.35 Scene Midweek (South East Area only). 10.30 Southern News Extra. 10.35 Police Story.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 9.30 George Hamilton IV. 9.55 Inner Space. 10.20 Welcome to the Ceilidh. 10.45 A World Worth Keeping. 11.10 Ghost Busters. 11.35 Wyatt's Place. 1.20 pm North East News and Where the Jobs Are. 6.00 Northern Life. 10.30 TV Movie: "Gargoyles."

ULSTER

10.20 am Welcome to the Ceilidh. 10.45 A World Worth Keeping. 11.10 Alright Now. 11.35 Wyatt's Place. 1.20 pm Lunchtime. 2.25 Dave's Singalong. 2.55 Untamed World. 4.18 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.30 Fireside Theatre. 11.25 Bedtime.

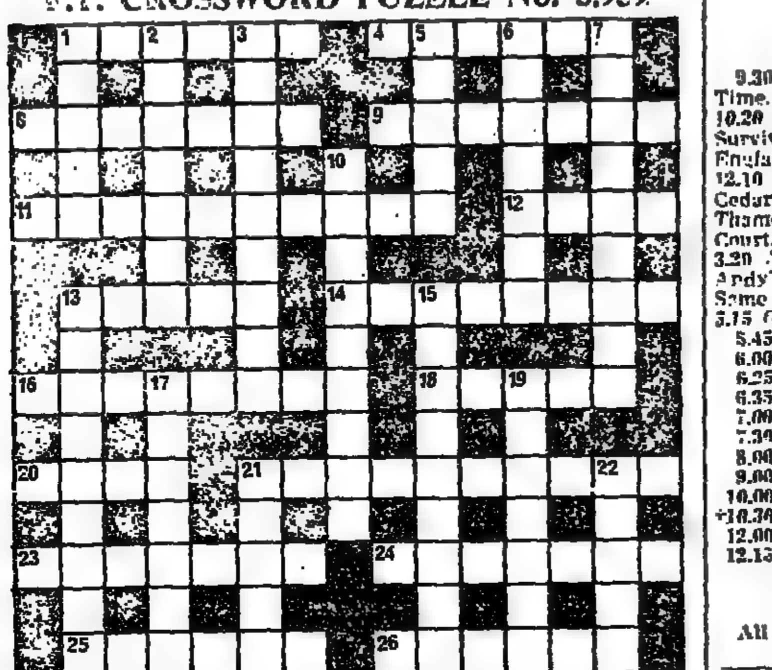
WESTWARD

9.30 am Friends of Man. 9.50 The Rolf Harris Show. 10.20 Welcome to the Ceilidh. 10.40 A World Worth Keeping. 11.10 Alright Now. 11.35 Wyatt's Place. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 Family. 5.15 Emmerdale Farm. 6.00 Westward Diary. 10.32 Westward Late News. 10.38 TV Movie: "The Lost Flight," starring Lloyd Bridges. 12.35 am Faith for Life. 12.30 West Country Weather.

YORKSHIRE

9.30 "The Spy with a Cold Nose," starring Lionel Jeffries. 11.00 Cartoon Time. 11.10 Clue Club. 11.35 Show-jumping with Harvey Smith. 1.20 pm Calendar News. 6.00 Calendar (Emley Moor and Belmont editions). 10.30 "Gargoyles," starring Cornel Wilde.

F.T. CROSSWORD PUZZLE No. 3,939



ACROSS

1 Alkali in vessel has to be mixed (6)
4 Left one in chain of rocks as substitute (8)
8 Sure to rage angrily about priest (7)
9 Opportunity to receive direction in part of church (7)
11 Notice clergyman is to dispense rites (10)
12 Swelling sound of 23 (4)
13 Beans to beat (5)
14 Grow in size in fold (8)
16 Preparation one may have to face (8)
18 Stopped instrument making nasty groan (5)
20 I chase around and collapse (4)
21 The finest source of wine we hear could be novel (10)
23 Large marsh bird giving morsel to sea-bird (7)
24 Initially brought in rectifier for shellfish (7)
25 Tender shark gets right (6)
26 Thatcher's successor? (8)

DOWN

1 Implore party leader to go first (5)
2 Trying to accept four of little importance (7)
3 Time Pole gets sent outside in emotion (5)
5 Volatile liquid could be made there (5)
6 Dishonourable soldier turning up with man of rank (7)
7 Release stone-worker and lodger (9)
10 Place for ascent with flights and landings (9)
13 In favour of coalition and extravagance (9)
15 Peevish over invoice from bird (9)
17 Cathedral man's title round the north (7)
19 Bitterness over worker being brave (7)
21 Boat to move clumsily (5)
22 Young fish always left inside (5)

Solution to Puzzle No. 3,938

HAPPEN STICKERS
A O N R H L U
ROOKIE SOLATIUM
D R G A Y R X M
CELLMATE EMPIRE
A A A T C I R R
SAWS PATHANS
E S M C I G P P
MACHINE FALL
C O D E N P R A
HOBART CAPACITY
A E I A G I S P
PARAGONS PLAICE
E O A O E A N
LONGLANE ATIONES

Radio Wavelengths

1 1053kHz/285m, 1089kHz/275m
2 693kHz/433m, 909kHz/330m & 88-91vhf stereo
3 1215kHz/247m & 90-92.5vhf stereo
4 200kHz/1500m & 92.95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Radio 1 Mailbag. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.45 Sports Desk. 7.02 Robin Richmond (S). 7.30 Listen to the Band (S). 8.15 The Magic of the Musicals (S). 9.02 The Impresarios. 9.55 Sports Desk. 10.02 The Grumbleweeds. 10.30 Hubert Gregg says Thanks for the Memory. 11.02 Brian Matthew with Round Midnight including 12.00 News. 2.02-5.00 am You and the Night and the Music with Bill Rennells (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice, part 1 (S). 8.00 News. 8.05 Your Midweek Choice, part 2 (S). 9.00 News. 9.05 This Week's Composer: Falla (S). 10.00 Early English Organ Music (S). 10.35 Gerhard and Skalkottas piano recital (S). 11.20 Midday Concert, part 1 (S). 12.05 Interval Reading. 12.10 Concert, part 2. 1.00 News. 1.05 Concert Hall (S). 2.00 The Shostakovich Quartets (S). 2.55 BBC Welsh Symphony Orchestra (S). 3.40 A Pot-Pourri of Pavanes (S). 4.20 Piano Recital (S). 5.10 Young Music-Makers (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound. ‡6.15 At Home: An operetta in brief, Lehar's "The Count of Luxembourg." 7.10 Dame Myra Hess piano recital. 8.00 Rozhdestvensky and the BBC SO concert, part 1: Shostakovich (S). 8.50 The Arts Worldwide. 9.10 BBC SO, part 2 (S). 9.50 Scientifically Speaking. 10.35 Stuttgart Piano Trio (S). 11.30 Percy Grainger (S). 11.55-12.00 News.

VHF Only—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 The Living World. 9.35 The Popular Image. 10.00 News. 10.05 Gardeners' Question Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 Listen In. 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.27 The Burkiss Way (S). 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Choral Evensong (S). 4.35 Story Time. 5.00 PM—News magazine. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 Ice on an Eagle's Wing (S). 8.45 Nation to Nation. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Moving Mouile. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 In Concert. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time. From 1.05 Join Radio 2.

London Broadcasting

5.00 am Morning Music. 6.00 The AM Show. 10.00 Brian Hayes. 1.00-8.00 pm LBC Reports with George Gale at 3.00 pm. 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Open Line (S). 9.00 Your Mother Wouldn't Like It (S). 11.00 Late Show (S). 2.00 am Night Flight (S).

Festival Hall

Richter

by DOMINIC GILL

Superlatives are difficult to handle—unstable, tricky to keep in place. Use them too much, and the currency is debased; reserve them strictly for the most sublime, the most exalted and they all but vanish from use. The balance is never easy: but by allowing superlatives to join with any other than the very rarest and highest manifestations of art, the critic will find now and then that he is left without his clothes. To have heard Serkin, for example, at his greatest is to have been stripped nearly of all useful vocabulary; and to have heard Richter's piano recital at the Festival Hall last Saturday evening is to have felt the same nakedness. When superlatives are needed most, they fall short of the mark.

It was a great recital and more than that, it was flawless — of its kind, and on its own terms, as nearly perfect as one could ever wish to hear. Richter's programme was all Schubert: a consecutive list of the four sonatas, including the unfinished F minor D625, composed in the six years between 1817 and 1823, and for a single encore, the C major *Moment musical*. Every bar, every gesture, had its own magic — that alchemy unique to Richter of a Schubertian vision entirely simple and pure, uncluttered by any kind of intrusive "interpretative" complication, but in larger resonance of the vastest complexity; a touch and timbre instantly recognisable, bell-like, of extraordinary carrying power; a matchless clarity of intention and execution.

On the Yamaha concert grand that he now favours, the tone is delicate, sharp-grained, evenly-voiced, perfectly matched to the subject. But the sound is not small: in the first of his group, the B major sonata D575, the central climax of the andante swelled to a splendid fortissimo, bright and firm. In the first movement and scherzo Richter gazed, pensive and a little withdrawn, into the music: a pool with calm, clear depths. And into the *adagio* of the unfinished F minor sonata too, published separately but proposed convincingly as the lost slow movement: swimming shadows moved there, pale and cool. He dropped the first allegro just as the composer left it, like a Schubertian *Art of Fugue*, in the middle of a bar—a question-mark, delicately poised, far more effective than Ratz's ersatz working. The finale, with its Chopinesque foreshadowings, was a miracle of complements and contrasts, wildness and wistfulness, brilliant light and shade.

Far too many miracles indeed in this spellbinding 90 minutes to attempt to list. Nothing in Richter's account of the little A major sonata D664 was an overstatement: yet everything about it, once more by that same mysterious alchemy, seemed magnified: the very balance of every chord breathed song and light. There was a relentless tread to the *allegro giusto* of the A minor sonata D784, a sombreness matched by a luminous tenderness, deeply affecting. The andante was the purest magic, impossibly slow, but nonetheless against all the odds, and all the rules, perfectly formed, without the slightest trace of mannerism or pretension: heavenly essay in stillness, close focus, and concentration. By the following day the first four bars of the C major *Moment musical* were still singing in my ears. And will sing on: like everything else of the evening, unforgettable.

Theatre Royal, Drury Lane

Elton John

by ANTONY THORNCROFT

Elton John is back on top. No doubt bucked by the winning ways of his football club, Watford (whose progress against Southend provided a running commentary to Monday night's concert). Elton has thrown away his blues and got himself a slow transplant and a large hat. He looked fine, and he acted his heart out for almost three non-stop hours.

His approach now is more restrained; no more climbing over the piano antics. He just sits there and plays (rather heavily); and sings (rather well). He has two voices: one high, strained and unreal; the other low and melodious and used to powerful effect on the Jim Reeves oldie, *He'll have to go*. Elton has also acquired quite a witty line in chat, much of it at the expense of his rival superstars. On this showing he can last for ever.

This was a nice uncluttered set which gave good exposure to Bernie Taupin's words, so impressive in songs like *Candle in the Wind*, and it showed that even some of the recent stuff, perhaps rather pretentious, is not bad. The only support was percussionist Ray Cooper, but Cooper is a grand spectacle in himself. He nicely upstaged Elton with his skeletal face switching from exercising the evil eye on those members of the audience not clapping, to the reward of a Madonna-like smile when the applause reached force ten.

Cooper had stayed hidden for much of the evening behind large screens which reflected primary colours and provided a simple and effective backcloth. He eventually rolled out with his drum kit on a cloud of dry ice and then the show really took off, with Elton John upping the tempo and indulging in a long medley of old rock and roll hits. It was all very enjoyable.

Elton has always been a sympathetic performer and his personal poignancy enables him to change the mood with songs like *Rocket Man*. But on Monday he was happy and boisterous and long versions of *Saturday night's all right for fighting* were on order. The audience seemed as pleased with it all as the artists. Tickets for the rest of the week are rare.

Viking loans at British Museum

The most comprehensive and spectacular exhibition ever mounted on the Vikings will open at the British Museum on February 14, 1980. It will run for five months until July 20.

The loan of many exciting and significant objects, most of them never seen before in this country, has been promised by museums and other bodies in Denmark, Germany, Finland, Iceland, Ireland, Norway, and Sweden. About a fifth of the exhibits will come from the British Isles.

When it leaves London, the Viking Exhibition will go in its entirety to the Metropolitan Museum, New York. It will then be dispersed.

The exhibition is sponsored in London by Times Newspapers and is presented in association with Scandinavian Airline Systems, with the aid of a grant from the Nordic Council.

Television

Waiting for the answer

by CHRIS DUNKLEY

The past week has faced us once again with a group of television drama programmes using various methods to try to tell us "the truth." *King*, the three-part American biography on BBC1, has been telling the story of the black civil rights leader. *No Mama No* was about an unhappy mother and her unwanted child. *On Giant's Shoulders* was the story of the adoption of a Thalidomide child.

As so often before, great concern has been expressed about whether or not particular incidents are portrayed "accurately" and indeed in some cases whether they have happened at all, and this must be a crucial matter—mustn't it? Surely it is impossible to imagine circumstances in which the programme maker could invent and show things which never really happened and at the same time claim to be "telling the truth"?

Of course it is not impossible. On the contrary, fiction may turn out to be far and away the most effective means of conveying the truth. Paradoxically, but significantly, only one of the programmes mentioned above was actually promoted as being a "true story" and that was *On Giant's Shoulders* which was BBC2's "Play Of The Week," complete with actors, actresses, scripts, makeup, and all the other trappings of the world of make believe.

King which follows the adult life of Martin Luther King also uses actors and everything which goes with them, but states at the end of each episode: "This programme is a dramatisation based on the life and accomplishments of one man and captures the spirit of his times. In some instances dialogue, action and composite characters were created to advance the story. Actual newsfilm is used in some sequences and combined with new footage shot especially for this production." (This announcement was not held on screen as long as it should have been, but at least it was there.)

Objections are made to this sort of "dramatisation" on the grounds that it is altogether too easy-going in its regard for the truth. For instance some of those in a position to know have objected that the incident shown in Episode 1 with King facing the gun-toting militant blacks and saying "You want a gun? Here take mine, I don't want it!" never occurred.

Terry Wiles and Judi Dench in 'On Giant's Shoulders'

Yet to me the "inaccuracy" of that incident seems as unimportant as would be the discovery that — say — Drake never played bowls in his entire life. In both cases the "truth" about character conveyed by the illustrative events is what matters and not the events themselves. (In the case of King whose life was so full of evidence of his non-violent philosophy the invention does seem remarkably pointless, but still).

For anyone who feels that the only reliable source of TV "truth" is verité news film, there is already in existence a compilation of precisely such material telling the story of King's life. But that, of course, cannot even attempt to show as the dramatisation does the influences of father, wife, home life, children, and the doubts and fears which emerge in private. It simply shows public occasions, and news film may or may not do even that truthfully depending on the producers.

The main criticism of the worthy, workmanlike, and well acted *King* is not that it is "untruthful" but that it is over long. The same could be said of Thames's *No Mama No* for which the ITV network moved *News At 10* to 9.00 so that the play could run for two hours from 9.30.

It was not presented as "the truth," being a dramatisation of Verity Bargate's novel of the same name, but that, we are told, was "based on the writer's own experiences" and it would be astonishing if either she or director Roland Joffé were to say that they were not trying to be "truthful" about women such as Jodie.

My view is that despite the impressive documentary-like authenticity achieved by shooting inside a real cramped flat, and the painstaking realism of the acting which was of the sort we have come to know from *Cathy*, *Edna*, Joffé's own *Spongers* and so on, *No Mama No* was still the one really untruthful production of the three. It is not that I doubt the existence of a woman as shallow, self-centred, and incapable of foresight as Jodie was shown to be. Nor that I disbelieve in the illnesses, shortcomings and difficulties which afflicted her.

What is surely untruthful is the suggestion that there is really anybody so utterly without redeeming human graces: so totally charmless, humourless, cheerless and uncommunicative. And such departure from reality is not trivial but crucial: the viewer's sympathy is sapped to the point where it is impossible to care about the character, the play, the reality which inspired it, or indeed any aspect of the production. Technically it was superb, but that isn't enough.

There have even been arguments, it seems, about the acuracy of *On Giant's Shoulders*. It has been said that this "play" about the adoption of Terry, a Thalidomide boy born with no arms or hands and only flippers instead of legs, failed to detail fully the battle against the authorities in which Len and Hazel Wiles, his adoptive parents, became involved. Perhaps that is so, yet the oversight fades into nothingness beside the full stature of the work.

Thousands of programmes pour off our screens every month, yet it is a rare year which produces even one as impressive as *On Giant's Shoulders*. The last time it happened was in 1976 with *The Naked Civil Servant* and the time before that with *Joey* in 1974. Each of these three "plays" tells the story of some extraordinary person—all of them courageous, all rejected by society, all in some way "peculiar." *The Naked Civil Servant* used actor John Hurt to play Quentin Crisp, but in *Joey* the spastic Joey Deacon played his adult self in Brian Gibson's magnificent programme about his life.

For the BBC's version last week of the "true" book by Marjorie Wallace and Michael Robson, director Anthony Simmons used the same approach and called on Terry Wiles to play himself, with results which were, for once, *really* breathtaking. Initial reaction to seeing the physically pathetic form on a hospital bed was that "realism" had gone too far: whatever our intellectual understanding of misfortune, instinctive reaction against deformity was too strong to carry us through.

Yet within minutes Terry Wiles had forced the viewer to subsume consciousness of that gross deformity under a far more powerful awareness of his staggering courage and humour.

Anthony Simmons' courage was impressive enough; when faced with moments which might be criticised as blatant tear-jerking, he kept them in: the row and then the note, written with those flippers, saying "I love you Mummy," for instance—there must have been a terrible temptation to take that out as being just too syrupy. But (assuming it did happen) keeping it in was right.

Similarly it was right that interspersed with the masterly photography of the poky and grubby interior of the Wiles' house there should be very occasional poignantly beautiful shots of the surrounding landscape (the Fens?) from the cameras of Peter Bartlett and Nat Crosby. Such contrasts do play a part in all lives, no matter how awful, which is why *No Mama No* was wrong in its single-mindedness.

Simmons and his co-adapter William Humble showed the darker as well as the lighter sides of the characters, and not just at the start so that matters could progress to a happy climax, either. Even at the end Hazel was given a bitter little scene rejecting the interest of a journalist — presumably Marjorie Wallace herself on her first visit.

I have never seen better acting from Bryan Pringle or Judi Dench. Required to work alongside the most appealing child imaginable, they turned in a pair of moving, and towering, performances. Yet nothing could really compare with the achievement of Terry Wiles himself, and here the "truth" of the narrative though fascinating was ultimately of less significance than the "truth" of what Terry Wiles was doing on screen, and that was plain for everyone to see — the most heartening and humbling thing I have ever seen on television.

King's Head

Shared Experience's Science Fiction

by B. A. YOUNG

Shared Experience have been doing this number since September last year. "You'll be surprised how it's changed," someone said behind me; but the general buzz is that it changes every night, and it is indeed described as "a nightly improvisation."

It is certainly very much changed from the productions of stories from the Arabian Nights with which they first came to us. They seem handicapped by the absence of a firm story-line. We are in a spaceship that discovers an unknown planet. It is habitable, so preparations are made, in spite of the endless difficulties caused by the crew, to go into orbitation, preliminary to landation. The final approach is about to begin, when the planet disappears.

To make this slim tale last a full evening, the company relies almost wholly on business. There is spoken dialogue, but it never gets nearer the intellect than the balloons in children's comic pictures. Business is the thing, business that looks as if it were absolutely spontaneous, and in some cases certainly is, for the sound of a passing aircraft or the recognition of a friend in the house produces immediate new matter.

There is a lot of fun to be had, but for my taste spontaneity should not be so detectable. Everyone here seems to be extemporising at once, not only their lines, spoken in funny voices, but their gestures and their attitudes as well, as if no one ever descended with a strong hand on the production to hold a good moment or to check excess. (There is a director all the same, Mike Alfreds.) The spectacle suggests that no idea ever thought up at rehearsal was ever discarded.

SF addicts will find little reference to the universal données of the strain. This is no satire, any more than it is a real science-fiction narrative. It is just clowning. Aficionados of clowning may enjoy it, but even they, I feel, deserve a rather more eventful evening.

Derby Day 200 exhibition

Derby Day 200, a pictorial display commemorating two centuries of the most famous horse race in history, opens at the Royal Academy tomorrow, thanks to its sponsors, Coutts and Co., the Financial Times, Moet and Chandon and Sotheby's. In the Fine Rooms is displayed a panorama of a race which is so much more than a duel between horses.

The exhibition covers every aspect of the Derby, taking in the social side, betting, breeding, scandals and the pearlies, as well as the horses. Fortunately some of the greatest painters gave their talents to the occasion, from Stubbs and Marshall to Dufy and Degas. This enables the show to be a great artistic treat as well as stressing the popular and social aspects.

Perhaps the Fine Rooms have been rather cramped with material, but the wealth of items makes up for the lack of elegance. The exhibition will be fully reviewed on this page on Saturday: in the meantime Derby Day should prove very popular, and will introduce a large new audience to the Royal Academy.

A.T.

Genoese and Venetian baroque paintings at the National Gallery

Genoese and Venetian baroque paintings from collections in Britain and Ireland is the title of the National Gallery's major loan exhibition for 1979 to take place from September 5 to November 30.

This exhibition will be the first in which these two relatively neglected schools of painting are shown together. One artist in particular, Bernardo Strozzi, who will be represented by no fewer than ten paintings, will provide the link between the two as he worked in both Genoa and Venice.

It will be the first time ever that an Italian Baroque exhibition has been held at the National Gallery, itself weak in Italian paintings of the 17th century. For this reason over 90 per cent of the paintings in the exhibition will be lent to the gallery from public and private collections in Britain and Ireland including a group of pictures to be lent by the Queen.

Festival Hall

Elgar

by NICHOLAS KENYON

The more one hears Elgar's Cello Concerto, and the more one learns about the desperately unproductive last decade of its composer's life, the less convincing does it become to regard the Concerto as a reflection of national tragedy—a portrait of England stunned by the First World War. No, this is an intense personal tragedy, decked out with symphonic trappings, but at its truest where it is most intimate, most desolate.

In the Scottish National Orchestra's concert in the Festival Hall on Monday night, Ralph Kirshbaum gave a performance of the Concerto which penetrated this side of its character to the heart. I found it far more faithful than Tortelier's recent nervy, vibrantly active account: Kirshbaum found the centre of the music in those weird, fluctuating transitions between the movements (the first especially, pulled both ways between motto theme and scherzo), and in the last pathos-filled reminiscence of the Adagio (done without the least sentimentality, but rather with a hushed, uncertain despair).

The Concerto as a whole did not quite cohere: perhaps this was due to Kirshbaum's immediate response to every passing bar, perhaps to Sir Alexander Gibson's worryingly fussy approach to the orchestral accompaniment. He has conducted the SNO for 20 years now: can he not trust them a little more? The tiniest detail was filled in by his beat, and though this succeeded in characterising some of the thematic material very beautifully, more often it meant that the orchestra was marginally out of time with the soloist, preoccupied with a beat that was neither up nor down.

Bruckner's Sixth Symphony was in the second half, but at the start of the evening Gibson had achieved the almost incredible feat of making Elgar's *Cockaigne* Overture sound a long piece (again, small touches which the orchestra can "place," like the marvellous combination of themes before the end, were made so specific as to sound ponderous). And if *Cockaigne* was long, what would Bruckner's Sixth be? I confess I did not find out.

New 'Beethoven sonata' at Wigmore Hall

Works of Rosemary Brown, including a sonata said to have been dictated by Beethoven, will receive their first public performance by pianist Timothy Carey at the Wigmore Hall, London on Saturday, April 28.

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Caretaker's report

MOST PEOPLE will accept with some philosophy the loss of the "indescribably wise and prudent" measures which would have constituted Mr. Denis Healey's 15th budget. The brief, restrained and almost entirely non-partisan report which he offered to Parliament yesterday was not too bad a note on which to end the longest and stormiest tenure of the Treasury in modern times; and what the Chancellor had to report was, so far as it went, satisfactory. He has succeeded in imposing financial stability, and could report accordingly; he has failed to generate any dynamism in the economy, and reported gloomily.

On the financial front Mr. Healey dwelt with rather more satisfaction on the external than on the domestic side, and with some reason. To claim that sterling was "strong and relatively stable" was, however, too modest or too boastful, depending on one's point of view. The currency has in fact been quite embarrassingly strong in recent weeks. It has risen clean through what would have been its ceiling in the European Monetary System despite what were clearly powerful efforts to check its rise.

Deserved triumph

The underlying increase of more than $1bn in the reserves during March makes this clear. Intervention has been substantial and one-way, despite the Bank of England's declared reluctance to endanger its monetary control in this fashion. Mr. Healey has taken the opportunity to announce further large advance repayments of foreign currency official debt, closing the books on his painful but educational dealings with the IMF in 1976—a small but deserved triumph.

The sad thing, though, is that this triumph has been achieved, in its closing stages at any rate, by partly undesirable means. It is not the counterpart of the strong current balance which ought to be readily achievable with the massive help of North Sea oil, but the result of inflows of essentially hot money — a form of funding which did not appeal to Labour Chancellors when the flows were the other way.

The money supply itself, Mr. Healey claimed, remains under control, and is near the centre of its target range for the year to April. This claim is statistically true, thanks to the very expensive prodigies of funding achieved in recent weeks—for one of the many records Mr. Healey has set in his long tenure is to have given unprecedented profits to stags of Government stock; but the achievement is no cause for complacency.

First, the hot money flows and the strength of sterling largely reflects the uncomfortable fact that the Government has had to enforce the highest real interest rates in the developed world, in an economy which is anything but vigorous. This is simply to finance a borrowing requirement which was over-ambitious in the first place. In consequence, monetary control itself remains in danger.

The 'roll-on'

The inflows may so far have remained largely in non-resident accounts or have been invested in Government securities, but all experience warns that thhey will in the near future work their way through to the domestic side. That is no doubt why Mr. Healey thought it necessary to announce a further extension of the banking corset — which should henceforth be known as the roll-on. What was intended as a temporary emergency measure, and one which distorts the figures, has become semi-permanent.

The monetary targets and the borrowing requirement, the determinants of interest rates, remain unchanged, as befits a caretaker's package; but the Chancellor made it clear that this reflects his own inclinations. To raise the rate of monetary growth would be inflationary, to reduce it would sacrifice real growth. As it stands, this is an empty truism; if counter-inflation remains the top priority, as Mr. Healey rightly argued, that should imply some steady reduction in the rate of monetary growth, even if it is only very gradual. This is clearly Opposition policy, and would help confidence.

This in turn has implication for the borrowing requirement. Mr. Healey claimed that an unchanged £8½bn requirement would be easier to finance this year than last, which will command wide assent in the context of unchanged monetary targets; but some tightening — probably not too drastic — would again be preferable.

Fitting close

However, these are small technical reservations compared with Mr. Healey's basic financial achievement, which has been to restore financial order after taking over a bad inheritance and getting off to a very bad start. What has been lacking — understandably, in the period of deep crisis — and was still lacking yesterday, was any sense of forward movement. The Chancellor's final non-partisan policy message — save oil, and reform the Common Agricultural Policy — was unexceptionable, but uninspiring. We will no doubt hear a more positive message during the campaign; but this careful performance was in some ways a fitting close to a tough, testing but essentially defensive tenure at the Treasury.

Joint ventures with Japan

THE PROPOSED collaboration between BL and Honda, which may lead to the assembly of a Japanese model in the UK, is logical for both companies. BL has a serious weakness in the middle of its range, where a car like the Honda Accord would be a valuable addition. It could be a temporary stop-gap until the replacement for the Allegro and Marina becomes available, but there are advantages in a more permanent and wider-ranging collaboration.

More to gain

While BL is short of engineering resources, Honda is outstanding among Japanese companies for its engineering skills and for designing cars which appeal to the European motorist. Yet its position in the European market is weak: most of its exports go to the U.S., where it has been extraordinarily successful. Like BL, Honda is a relatively small competitor in the world motor industry. It has more to gain from an association with the British company than, say Renault, which had earlier been regarded as a likely partner for BL.

If the negotiations bear fruit, it would be the first example—at least since the Japanese industry came of age—of a manufacturing tie-up between leading European and Japanese manufacturers. But international alliances of this sort are nothing new. The three big American companies, General Motors, Ford and Chrysler, all have close associations with Japanese car makers (in two cases backed by minority shareholdings) and market their products in the U.S. Renault is discussing cooperation in the U.S with American Motors and recently acquired a stake in a U.S. heavy truck producer. For BL, with its small share of the world market, the case for collaboration is especially strong: it would not be surprising it it negotiated a deal of some kind on the truck side, though in this case the partner is more likely to be European.

From a national point of view there is every reason for welcoming the BL-Honda collaboration. Since the Hitachi episode in 1977 the Government has strongly favoured joint ventures with Japanese companies. Several of them have been negotiated, particularly in the TV set industry. To the extent that production in the UK replaces imports from Japan, these arrangements are good for the balance of payments and help to preserve or increase employment. No doubt some of BL's rivals will regard the British company as a Trojan horse through which the Japanese will step up their assault on the European market. But the notion that the Europeans should band together to keep the Japanese out is neither feasible nor desirable. The Japanese will remain a very substantial force in car manufacture: their direct participation in the European industry should be encouraged.

Components

The manufacture of Japanese cars in Europe does not, of course, absolve Japan from the need to step up its imports both of complete vehicles and of components. The absurdly low figure for imported car sales in Japan—less than 2 per cent of the market, compared with nearly 20 per cent in the U.S.—may be partly due to lack of interest or effort by foreign manufacturers, but it is the most obvious symbol of Japan's failure to develop two-way trade in manufactured goods; joint ventures with European companies should where possible include reciprocal benefits for European cars in Japan. As for components, the Japanese industry has placed some orders with European suppliers, but on nothing like the scale that had been hoped for. This is another field in which the Japanese should put the principle of interdependence into practice.

Honda and BL: lifebelt or Trojan horse

By KENNETH GOODING, Motor Industries Correspondent

EUROPEAN car manufacturers yesterday reacted with a little bitterness, some dismay and a modicum of surprise at the news that BL really is to collaborate with Honda of Japan. The surprise was about the timing rather than that the Japanese had chosen the UK as a base from which to operate in Europe.

It has been widely expected that the Japanese would find a way of setting up some kind of manufacturing operation in Europe, either in a "neutral" country like Holland, which has no major local car maker to protect, or in the UK, which is the volume market with the weakest national automotive business—BL.

As one Continental executive put it: "It makes sense for the Japanese to attack Europe's car industry through its soft underbelly. And that is BL."

The Japanese have been acutely aware for some time that their direct exports to Europe are under some threat. Last year Japanese cars accounted for over 6.5 per cent of the 10m or so new cars registered in Europe. It has been generally assumed that the total could be pushed to 10 per cent before there was some retaliatory action.

But the Japanese might not have that amount of leeway. There is manufacturing overcapacity in the European-based car industry, with the prospect of a period of fairly static demand.

On a broader front, the European Commission believes that the EEC may need to consider imposing retaliatory curbs on "selected" Japanese exports—with cars and electronic goods being prime candidates—later this year unless Japan does considerably more to reduce its trade surplus with the Community during the next few months.

This was one of the main conclusions of a gloomy report "leaked" in Brussels a week ago which blamed the lack of progress in trade negotiations on the intractable national character of the Japanese, whom it described as "workaholics."

They are harsh words, but typical of the attitude of many European car manufacturers.

All the signs are that, as Sig. Giovanni Agnelli, Fiat's chairman, has said often in the past, the world could split into three main trading blocks — Europe, the Americas and the Far East — all protected by massive tariff barriers. Only those manufacturing inside the barriers will be able to maintain reasonable market shares. And market share is extremely important if a volume car business is to remain profitable.

It takes two to make a bargain, however, and although collaboration with BL offers Honda a solution to the looming future problems in Europe, the UK group also has much to gain.

BL's most pressing problem is its need for new models to replace its ageing Austin-Morris volume car range. The new "Super Mini" is promised at the end of next year, but a replacement for the Marina in the vital mid-range segment of the market—and the one on which sales to fleet customers is heavily based—will not be available until 1983 at the very earliest.

BL for the moment seems not to be short of cash; the major constraint on speeding up the project is its lamentable lack of engineering resources. Mr. Michael Edwardes pointed out recently that the group, in comparison wth some other manufacturers, has only one-third the number of engineers per model line.

"The problem is one which has built up over the years because BL reflects the endemic problem of British society, which has traditionally undervalued the contribution of the engineer."

Given a national shortage of automotive engineers and engineering managers, and restrictions on what can be done to increase the remuneration of BL's engineers to a competitive level, it is clear there is no quick or easy solution to this problem.

Meanwhile the Marina, in its recently face-lifted version, is just about holding its own at the moment in its home market against really tough and much more modern competition like the Ford Cortina, Vauxhall's Cavalier, the Peugeot 305, the Renault R18 and others.

But, as one of BL's main dealers suggested yesterday, "the Marina will have lost a hell of a lot of market share by 1983."

BL's other medium car, the Allegro, is already out of favour because its shape has proved unattractive.

If the indications from Japan turn out to be right, BL could be assembling a medium-sized car to replace the Marina, the Allegro and possibly the Triumph Dolomite, by 1981. It would be a car based on Honda designs.

Mr. Edwardes has frequently made the point that BL needs its volume car business because without it the specialist car division, Jaguar, Rover, Triumph, would find life difficult and BL would lose many of its dealers to importers. And the volume car business stands a better chance of survival with a new mid-range car sooner rather than later.

Supporters of a deal with Honda will argue that anything which preserves BL as a volume car maker and helps rebuild its home market share must be good for the UK automotive industry generally and for the estimated 1m people in Britain who directly and indirectly rely on the group for their livelihood.

The question remains, however: Why did BL choose a Japanese and not a European partner.

On the face of it, an eminently suitable and willing partner has presented itself in the shape of Renault of France. Like BL it is State-owned but, it must hastily be added, one which receives much less in the way of Government largesse.

Renault, too, has offered to provide BL with a mid-range car to assemble in the UK—the R18. It has offered to get involved in joint development of new models. Renault would concentrate on smaller vehicles while BL would provide the expertise —which Renault is lacking—at the top end of the market.

Renault has offered BL better European penetration by taking Rover saloons, Jaguars, Land-Rovers and Range Rovers for its network. And the group claims to have the biggest dealer chain in France and the best of the importers' networks in West Germany.

This would not only improve the range of products offered by Renault dealers but also enable the French group to uphold its pledge that it would try to match BL imports with Renault imports should any deal be worked out.

The talks about this European solution to BL's problems have gone very cold since Mr. Edwardes took over 18 months ago. He maintains that BL simply could not fulfil its part of the proposed deal because it cannot make enough Land-Rovers, Range Rovers, Rovers and Jaguars to meet demand through existing overseas outlets, let alone provide extra vehicles for Renault's network.

The emphasis in yesterday's statement about the similar size of BL and Honda making them compatible suggests that Mr. Edwards does not wish to get swamped by a group twice as large as BL—Renault's 1978 turnover was Francs57bn (roughly £6.4bn) compared with BL's £3.07bn.

Notwithstanding the negotiations with Honda, BL will continue to search for international partners who will collaborate on component development and manufacture, like the gearbox development being discussed with Renault. The cost of bringing new components on stream is so high that BL needs co-operative agreements right across its range of vehicles, from small cars to the largest trucks.

But it was being suggested yesterday that the European companies most likely to have been interested in component collaboration with BL might in future be less willing to establish a link. "After all, BL is the Trojan Horse bringing the Japanese manufacturers to Europe," said one critic.

THE PARTIES

	BL		HONDA	
Total sales	£2,602m	($5.386m)	Y985,065m	($4,646m)
Sales of cars and trucks (units)	785,000		685,000	
Sales of cars and trucks as % of total sales	93		57	
No. of employees	195,000		33,000	

The figures relate to calendar year 1977 for BL and to the year ending February 27, 1978 for Honda: in 1978 BL sales increased to £3,073m. The sales figures have been converted into dollars at present exchange rates.

Trying to catch Japan's giants

BY CHARLES SMITH IN TOKYO

HONDA Motor Company is the classic example of a medium-sized Japanese company trying to catch up with the giants in its industry by expanding abroad.

Although it is the world's top motor-cycle manufacturer, with an overwhelming 40 per cent share of Japanese production, in the motor industry it is as yet just a promising middle-ranker with some powerful rivals.

Honda just edged into third position in Japan's 1977 passenger car registrations with about 8 per cent of the market (far behind the industry leaders, Nissan and Toyota). In 1978 it was forced into fourth place by Mitsubishi Motor Corporation, a company which is itself a relative newcomer but which enjoys the powerful backing of the Mitsubishi group in marketing and finance.

Honda's rivals in the car industry say it is a company which tends to do well (on the domestic market) in years when it produces a new model, but markedly less well in "between-model" years. Honda's highly successful 1800-cc Accord came out in mid-1976, so that by January, 1978, the company had not put a new model on the market for 18 months. That meant that 1978 was bound to be a year in which the company's marketing weakness would tell more than its technical strength (which is particularly marked in the design of engine, such as the pollution-free CVCC—compound vortex controlled combustion-engine.

Because Honda knows it cannot challenge Nissan and Toyota in Japan's domestic car market, and because Mitsubishi is shaping up as an increasingly formidable rival, the company has committed itself to what must be the Japanese industry's most ambitious overseas expansion programme. In 1977 (the last year for which full results are available) the company sold 419,000 cars (worth $1.5bn) outside Japan compared with domestic sales of 214,000 units, making Honda proportionately far more dependent on overseas markets than any other major Japanese vehicle manufacturer.

Honda was still selling far more cars abroad than at home in the early months of 1978; its overseas sales in the six months ending August 31 last year reached 255,000 units or 66 per cent of total sales. The snag about this otherwise impressive sales performance was that yen revaluation, by the middle of 1978, was starting to make exports far less profitable than they had been formerly.

Honda for years has been relatively active as an overseas investor. It established a light motor-cycle plant in Belgium in 1963 (claimed to have been the first vehicle manufacturing plant built outside Japan by any Japanese company) and claims the impressive total of 40 overseas assembly operations for cars and motor-cycles in 30 countries. By late 1977, however, the company was clearly beginning to feel that the time had come to move on from this to an even more substantial overseas presence. Honda announced in October 1977 that it would build a motor-cycle plant in Ohio with a production capacity of 60,000 units. The plant is due to start operating in July this year. Simultaneously, there were signs that the company was starting to think hard about involvement in passenger car manufacture in the U.S. and/or Europe.

A Honda executive at the company's motor-cycle plant in Belgium passed the chance remark in the summer of 1977 that the company had considered the merits of various European countries as sites for car manufacturing plant. It had initially ruled out the UK on grounds of labour problems. But a second and closer look at the situation had convinced Honda (the executive said) that Britain might not be such a bad place in which to make cars after all. British labour costs, after all, are anything from 40 to 50 per cent below those of Flanders where Honda has its sole existing European manufacturing presence.

Honda's share of British car registrations was only 1.2 per cent in 1978, putting it far behind Nissan (the Japanese leader in Britain) and a good way behind Toyota, the number two Japanese exporter. This might seem a disquietingly low percentage as a base for local manufacture or the licensing of Honda designs and technology to a British company. However, Honda can draw comfort from the fact that its UK sales would almost certainly have been much higher last year if its exports had not been restrained by Japanese government guidance (so as to conform to the painfully extracted undertaking that Japan's total car exports to the UK should remain at around 10 per cent of total British registrations).

Another reason why Honda can well afford to feel confident about the chances of success for any venture it might embark on in Europe is the runaway success of its American exports. The North American market (the U.S. and Canada combined) accounted for 70 per cent of total exports in 1977 with a four-month waiting list (at times) for the Honda Civic, the company's "basic" 1.2 and 1.5-litre passenger car. Honda overtook Volkswagen to become the third-largest motor vehicle exporter to the U.S. in 1977, only five years after the Civic had put it on the map as a major car exporter.

Honda's international orientation does not end with its plans for overseas investment. The company has developed imports of foreign components more successfully than most other Japanese motor manufacturers who have tended to remain tied to their domestic suppliers despite the strong arguments in terms of cost effectiveness and international image-building that favour imports. Last year Honda bought Y2bn worth of overseas components. The target for 1979 is Y5bn (about $25m). A subsidiary, Honda International Trading Company, has also done its bit in trying to equalise the trade balance between Japan and the rest of the world by importing about $250m worth of goods per year including machine tools, aluminium ingots, livestock—even coffee beans.

The Accord—a Honda success story

MEN AND MATTERS

New York queues for atom film

The nuclear accident in Pennsylvania is not bad news for everyone. In New York queues for Columbia Picture's timely film The China Syndrome—which is about a near disaster at a California nuclear power station—stretch all round the block. And Columbia's shares, which were trading at $23 before the accident soared to $26½ yesterday.

The windfall could hardly have come at a better time. Columbia was undergoing a boardroom crisis only six months ago. Following the so-called "Begelman affair," in which a leading executive was charged with embezzlement, the company president, Alan Hirschfield, was fired last year, and Columbia itself then underwent an abortive takeover bid from General Cinema.

Rowse and socks

While W. H. Smith, formerly regarded just as booksellers, is now offering everything from toffee to kitchenware, Marks and Spencer is building up its book trade. Yesterday I tiptoed around the nighties in an M and S store to be confronted by racks of hardbacks, all bearing the "St. Michael" imprint.

Historian A. L. Rowse has already written a book on country houses exclusively for Marks and Spencer: he has also completed an illustrated history of Britain which will be in the stores in the autumn. Although M and S have been selling their own books discrectly for several years, they expect to add 50 new titles in 1979.

Most of the books are on cookery, gardening and other domestic topics, with spy stories and educational encyclopaedias adding variety. Average printing being 50,000 a title, M and S could sell 2m books this year.

They do not tackle the production. Leading publishers look after that side for them. Weidenfeld and Nicolson turn out many of the books through Artus, a wholly-owned subsidiary.

The potential market for M and S is vast. A Weidenfeld executive told me: "They sold 50,000 copies of a beauty book in one week."

Wrapped up

For those who like walking round their works of art, the oeuvres of Christo Javacheff, the Bulgarian artist who once wrapped a mountain, are just the thing. An exhibition of collages, photographs and plans connected with his Kansas City Wrapped Walk Ways, opens in a London gallery today.

The work is exactly what it says: Christo had the entire network of paths in Loose Memorial Park covered in 136,000 sq ft of saffron-coloured nylon, a feat which occupied 100 building workers and four seamstresses, plus assistants, who completed the task with portable sewing machines.

The material will no doubt find a more obvious use, as did his 24 miles of 18 ft-high nylon fence in California—used later by farmers ot cover their hay, and in one case to make a wedding dress.

Christo is now hard at work on a project to cover the Reichstag in Berlin.

What, I asked David Juda, a partner in the gallery where Christo is exhibiting, was behind this mania for covering things? "You know," he said enigmatically, "what's behind it. You just can't get at it."

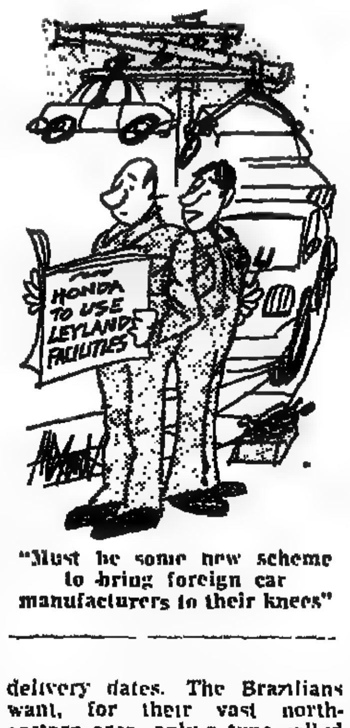
Playing the goat

Scores of unsuspecting nannies, chewing old barbed wire and thinking their goatish thoughts, will soon be snatched away from Britain. A Brazilian delegation, expected here shortly, is after 1,000 goats; at £50 a time, that sounds like fair business for our animal exporters.

There is, however, a supply problem; put another way, difficulties have arisen over delivery dates. The Brazilians want, for their vast north-eastern area, only a type called the Anglo-Nubian. As its name implies, this can stand the heat and eat anything including cactus, but also yields good hides and cheese. But our nannies and billies cannot be goaded into a population explosion that will meet the Brazilian deadlines.

Having ben tipped off from Rio about the goat shortage, and not being too well up on Anglo-Nubians, I consulted Patience Storey, a director of a pedigree livestock exporting firm in Wiltshire. "We know how many the Brazilians want," she said. "But there are just not enough in this country. Our company might provide 70 or 80."

The Brazilians prefer the nannies to be pregnant before they go on the high seas—for obvious reasons. But the Ministry of Agriculture has strict regulations about the degree of pregnancy. "Nobody wants kids to be born in mid-ocean," explains Patience Storey.



"Must be some new scheme to bring foreign car manufacturers to their knees"

Zhou's menu

It is not just an excess of free speech which has proved hard for the Chinese leadership to stomach. "Extravagant feasting" is another worry, according to Peking Radio, which has been tut-tutting about the absence of the traditional slack season in the Shanghai restaurant business.

New China News Agency sleuths who visited smarter watering holes in the Nanjing Road noted disapprovingly that they were all full, even on weekdays.

"According to statistics of Shanghai Municipal Food and Drink Company, restaurants in urban Shanghai sold more than 11,900 banquet tables during the Spring Festival, nearly three times the number for the same period last year.

The reporters professed themselves "distressed and disturbed" by the drunken profligacy of young people squandering their bonuses—a sad contrast to "the glorious tradition of plain living and hard struggle" typified by Zhou Enlai's much mended single pair of shoes.

With a hint of menace some older feasters might find familiar, Peking Radio notes that "the cadres and masses" are also distrubed by young people's obsession with clothes and food, "wearing their hair in strange styles, and taking pictures which are not very decent."

Dropping a brick

Brian Clarke of the Brick Development Association may be less than pleased with the wording of an editorial in the latest issue of the magazine Building. This discusses his technical paper on better brick-laying, and concludes: "It contains much sound practical advice based on Mr. Clarke's wide experience of building failures."

Observer

Roy Hodson on why new steel works like BSC's £400m Teesside complex, planned to open in 1981, may be out of date in ten years

A steel revolution in the making

THE NEW blast furnace complex on South Teesside is costing the British Steel Corporation a round £400m for the furnace itself, a battery of coke ovens, and sophisticated plants to prepare the ore. It amounts to one of the biggest single investments ever made in the European steel industry. The furnace is twice as big as any other in Europe.

When it is in full production in about two years' time—the lighting-up ceremony will be held this summer—up to 10.000 tonnes of iron will be made each day to feed steel furnaces. British Steel has taken to a logical conclusion the philosophy pioneered by the Japanese that the cheapest way to run a steel industry is to process high-grade imported iron ore in enormous steelworks sited at deep-water ports.

Teesside will be the pivot of British iron and steel making for many years. In the coming months it will be hailed for the grandeur of the concept. What is increasingly open to doubt, however, is whether the big blast furnace truly signals the way steel industries must develop in future in order to remain competitive.

A number o fsteelmakers are already convinced that small is beautiful and are supporting the electric arc furnace route for steelmaking, which relies upon scrap metal or specially processed iron ore. Small units can be operated economically to use local steel scrap and serve particular market needs. In "mini-mill" form, and in the larger scale already well exploited by British Steel in South Yorkshire, the electric arcs are established in Britain. Other nations investing in new steelmaking are increasngly nterested in their capabilites. Indeed, some countres are almost wholly reliant upon them.

But there are still more radical ways of making steel to be explored. The microprocessor is promising to change the course of great industries within a few years of its invention. That lesson has not been missed in the world's iron and steel industries. Steelmakers are now less inclined than hitherto to scoff at revolutionary ideas about the way steel migiht be made in the future.

Pioneer work

It is doubtful whether anything as revolutionary is going to emerge during the next few years as the pioneer work on plasma steelmaking that is now being carried out in the Oxfordshire village of Faringdon.

A small group of independent researchers led by Dr. Charles Heanley, a former surgeon, has spent 15 years working on the application of plasma technology to primary industrial processes. Their work has largely focused upon the reduction of ores and the processing of metals.

Plasma is an electrically based energy source able to generaet temperatures of some 10,000 degrees centigrade in small areas.

At Faringdon the aim is to use plasma in commercial-sized furnaces in order to reduce iron ore and coal directly into steel without the associated problems of contamination of the product, and without the environmental pollution which normally arises in the traditional steelmaking systems. Similarly they are learning to process recovered metals, to smelt lead, to make a form of cement, and to smelt concentrates containing rare metals—all using the same basic technique that has been developed there.

After long years of laboratory research Dr. Heanley's company, Tetronics Research and Development, will move into the development stage this spring using a series of furnaces. Several international companies are backing the development of plasma reduction and processing for their specific needs. Broadly speaking each programme will be run upon a separate furnace. Extra power supplies have been laid on to the workshop at the edge of the village. Before long Tetronics will be able to run several megawatts of electric plasma furnace capacity.

But applying this new technique to steelmaking on a *commercial scale will not happen* next month or next year. So far the researchers have not managed to make anything more refined than a rather superior iron. Dr. Heanley regards that as encouraging, however. His estimate—and he is a cautious man—is that plasma steelmaking, by which raw iron ore and coal could be turned directly into a form of steel, is likely to become a commercial proposition within 10 years.

The concept of plasma steelmaking is disarmingly simple. Given adequate supplies of electricity—and perhaps the steelworks of the future will need its own nuclear power station—the plasma furnaces would produce a range of consistent quality steels in a continuous proeess. Ore and coal would be the raw materials. The ponderous investment of conventional steelmaking in blast furnaces, ore preparation, coke ovens, oxygen plants, and steelmaking vessels, would be replaced by a single furnace system. It is likely that steel made in this way would then need further refining in electric arc or other plasma furnaces to be brought to the exact specifications required for rolling into various products.

The implications for international steelmaking of the Tetronics work was recognised about four years ago by the engineering contractors Foster Wheeler when a collaboration agreement was signed between the two companies. Foster Wheeler is now supporting Tetronics with finance and resources, and a group of engineers from Foster Wheeler is working full-time with Dr. Heanley's staff on development and exploitation of the system both technically and commercially.

Assessment

The Congress of the U.S. *Office of Technology Assessment* is currently preparing a worldwide assessment of future steel technology. In a paper submitted on plasma furnace processing, Mr. Peter Gulliver and Mr. Philip Gladman, both of Foster Wheeler, analyse in detail a hypothetical plasma steelworks of the future capable of making 200,000 tonnes of steel a year. Such a works would *employ two plasma melting furnaces* and associaed continuous casting facilities for making billets.

They calculate the likely profitability of a $36.5m investment in such a works as follows: "The projected total cost of production of billets produced by plasma steelmaking would be $154 a tonne. On the basis of a selling price of $290 a tonne the project would show an annual profit of $27m." While admitting the need for generous margins for inaccuracies the authors claim *that the figures clearly show the* potential commercial attraction of plasma steelmaking.

In the past the potential of plasma technology for processing furnaces was held back by the instability of the plasma and the difficulty of making full use of the energy available. Dr. Heanley's principal contribution in his bid to accomplish plasma steelmaking has been his development of a technique patented by his company called the Expanded Precessive Plasma system.

A plasma furnace in its simplest form consists of a plasma gun at the top or the side acting as the cathode for the electrical power, and an anode at the base of the furnace. In Tetronics' system the melted metal at the base of the furnace acts as the anode. The plasma gun at the top of the furnace rotates to form a cone-shaped plasma below it. *The cone is claimed to be very* stable. In order to make iron or steel fine particles of iron ore and coal (or some other carbon source) are injected into the cone where a reaction takes place within milli-seconds at very high temperatupres.

Instead of making large batches of iron or steel slowly as in conventional furnaces the plasma furnace seeks to make small quantities of metal almost instantaneously. But the overall production level of a commercial furnace would be good because the process runs continuously. Impurities in the raw materials actually help the process of reducing the ore in the intense heat.

There is a good deal of secrecy surrounding the design of the Expanded Precessive Plasma guns, which Tetronics is building in its workshops at Faringdon.

Furnace waste

Six development furnaces will be running at Faringdon by later this year. One will be carrying out trials for the British Steel Corporation to recover *stainless steel from furnace waste*. So far this is British Steel's only investment in Plasma furnaces. But it would be surprising if the Corporation does not take a greater interest in the Tetronics work now that the development furnace programmes are starting.

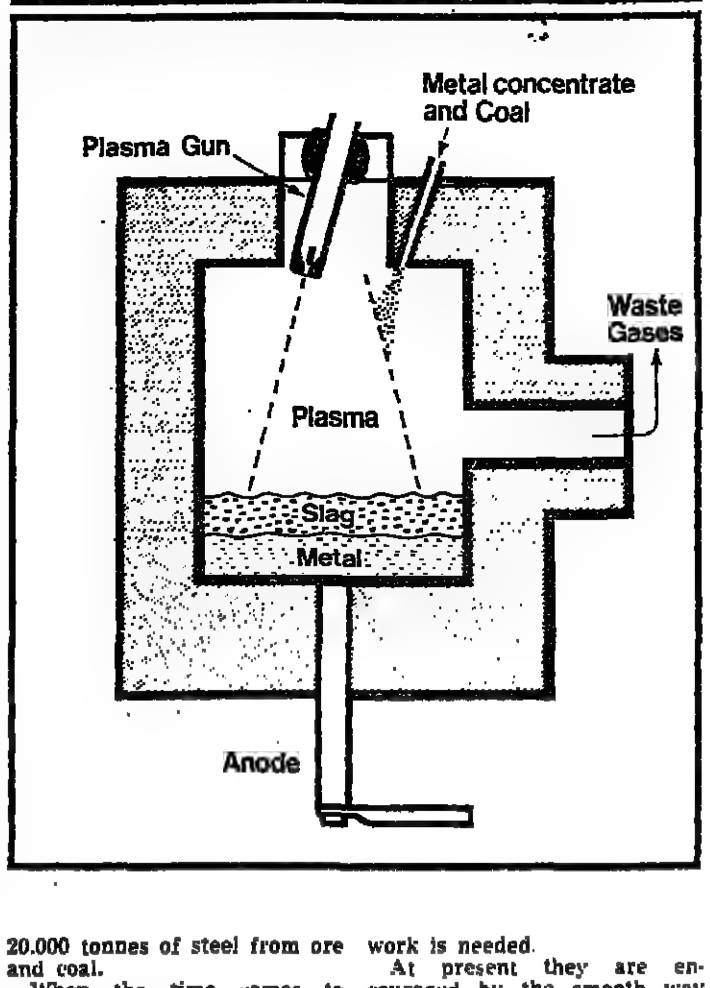
One problem appears to be confusion in some minds between plasma steelmaking and spray steelmaking. More than ten years ago experiments were carried out at the United Steel works in Cumberland into the making of steel by spraying iron droplets through furnace heat. But the spray temperatures were low compared with the heats now generated in the plasma system. The project was dropped.

The present generations of Tetronics furnaces being operated or under construction will range in size up to 3.000 kVA in power requirements. Now work is going on to design a 6,000 kVA plasma gun. Which would be fitted in a furnace that would constitute a commercial-size plant. Such a furnace would be able to melt 100,000 tonnes of scrap a year or produce 20.000 tonnes of steel from ore and coal.

When the time comes to order the hardware for the 6,000 kVA furnace plasma steelmaking will be at a cross-roads. Foster Wheeler, Tetronics, and other companies supporting the work, will then have to decide whether to plung heavily into financing a full-sized plant, or whether further development work is needed.

At present they are encouraged by the smooth way development work is proceeding, and by the figures. However the sums are done a commercial plasma furnace to make iron looks like being five times cheaper per tonne of capacity than a modern blast furnace such as British Steel is completing on Teesside.

THE PLASMA FURNACE



Letters to the Editor

Spending on the NHS

From Mr. M. Ryan

Sir,—Mr. T. G. Arthur (March 10) appears to suspect that the Department of Health and Social Security figures for expenditure on the National Health Service at constant prices were calculated on some "funny money" basis unique to the Department.

Perhaps he is less suspicious of the Central Statistical Office and would care to consult the most recent (1978) National Income and Expenditure blue book. Table 9.3 in that publication gives NHS expenditure at 1975 prices for the years 1967-77. From it one can calculate an increase of 34 per cent in respect of current expenditure and 35 per cent in respect of total final consumption over this decade.

It is also relevant to mention that data published in the CSO blue books permit the calculation of NHS spending as a percentage of total public expenditure. For 1961 and 1975—the years of interest to Mr. Arthur — the figures are 9 per cent and 10.1 per cent respectively. It follows that if NHS costs had roughly trebled in real terms during this period, so too would the total public expenditure. And such an improbable occurrence would not have passed unnoticed.

Michael Ryan,
University College of Swansea,
Singleton Park,
Swansea, Glam.

Security of tenure

From The Press Officer,
Small Landlords Association.

Sir,—I am not too sure that Justinian is correct (April 2) in saying that a member of a tenant's family has always been entitled to succeed to a protected tenancy since the first Rent Act in 1915. Certainly, automatic transmission of the tenancy only started in the 1935 Act and was extended to the second generation by the 1965 Act.

This indefinite security of tenure will be just one of the problems with which the Abbey National will have to grapple if it moves into the role of private landlord. I hope it does. But I also hope that Clive Thornton, their chairman, has done his sums in the light of his reported remarks that he does not think that building societies need any special exemption from the Rent Act's strictures (March 31).

It will not be enough for the building societies to operate on a non-profit-making basis. They will have to accept serious losses.

To highlight the impossible financial and tax provisions which regulate the private rented sector, I choose to contrast the position of that sector with other industries.

On average, other industries earn about 20-25 per cent on the value of capital employed after operating costs which are all tax-deductible. The private rented sector earns about 2 per cent.

After both operating costs and amortisation costs (again tax-deductible) other industries earn 15-20 per cent on capital. The private landlord (who gets no tax relief for amortisation) makes a loss.

Because of high inflation the landlord's net return from so-called "fair" rents has been falling by 50 per cent every three years. Even with inflation at its reduced level it will only take fifteen years before "fair" *rents do not even cover the costs* of outgoings.

So to survive as a landlord, the Abbey National will need to be able to borrow money at 2 per cent and eventually at minus per cent. Even then when their property comes to the end of its useful life they will be left with the heap of rubble, having no funds with which to replace it.

Everyone will welcome steps to provide more private rented housing and Mr. Thornton is certainly correct when he says there will always be a place for private rented accommodation in the housing market.

There is, in our view, a necessary, legitimate and honourable place for the private landlord. Furthermore, we have many members who wish to continue as private landlords, given reasonable terms.

It is the crazy Rent Act which, by compounding indefinite security of tenure with uneconomic rents, stands between those with vacant property who wish to let and those seeking accommodation who wish to rent.

G. F. Cutting,
7, Rosedene Avenue,
Streatham, SW16

Local democracy

From the chairman, Kent County Council Education Committee

Sir,—I read Larry McLean's letter (March 28) with some surprise since I thought Liberals believed in effective devolution of power from the centre and that local government would be an important beneficiary. That *much I suspect we would have* in common, although I am not sure we would agree on the form local government should take.

It is hard to see how the proposal to transfer the costs of education to the centre would square with this, since there is already a depressing tendency, *even for a relatively enlightened* department like Education and Science, to yield to the temptation to intervene and control the local decision-making process. This makes for neither efficiency nor the cost-effective use of manpower, and certainly does not make for local democracy.

As I argued in a paper subsequently adopted by the Kent County Council for onward transmission to Layfield, even the control of salary payments would inevitably lead to detailed interference in the staffing and organisational structures of *schools. The Treasury* themselves are admirably frank about the way in which responsibility for providing finance necessarily leads on to a process of analysis and control, and I would ask Mr. McLean and those of his colleagues who see transfers of this nature as a painless interim *solution to the problems of local* government finance to pause and consider whether ultimately they might not lead to the euthanasia of a key area of local government.

For what it is worth, I personally would be more radical about local government finance even than Mr. McLean, transfering the product of income tax (with a suitable equalisation scheme and in the form of a negative income tax) to local government. But that really is *food for a different debate. The* main aim must be to find a suitable long-term financial basis for local democracy, and we should not sacrifice the real substance of local decision in the most major of local services to an ill-thought out proposal.

John Barnes,
Springfield,
Maidstone, Kent.

Research and espionage

From the Chairman,
Market Research Society
and the Vice-Chairman,
Association of Market Survey Organisations

Sir,—Having read last Thursday's "Men and Matters" concerning the "Inside Business" Thames TV programme about how market research is allegedly used as a form of industrial espionage, may we make the following points.

As in all aspects of commerce, it is always unfortunate that respectable professional companies and practitioners have to suffer because of the malpractice of fringe operators who are not genuine professionals, but pass themselves off under the guise of being part of a legitimate industry. Therefore, we are very glad that you and Thames TV have brought this matter to the attention of a *wider audience.*

The Market Research Society (which represents individuals in the market research industry) and the Association of Market Survey Organisations (a voluntary trade association of the leading 26 research agencies in this country, who account for about two-thirds of all commercial market research expenditure), each have appropriately very strict codes of conduct which preclude the practice of anything of the sort touched on in "Men and Matters" and "Inside Business." One of the lessons from these revelations is that any company either commissioning research or being a respondent to research enquiries, would be well advised to use and only respond to those companies and executives who abide by such codes. All reputable agencies already insist that their interviewers carry identity cards and, indeed, the Market Research Society has already introduced a scheme whereby there is an industry interviewer identity card system; thus, any respondent should always ask for proof of identity and credentials from anyone making enquiries requesting an interview, whether the enquiry is face to face or by telephone. Similarly, any employees who feel they are being forced by their company to do things which they feel to be of doubtful validity, whether or not they are members of the MRS, should report the matter to *either AMSO or the MRS,* when they can be assured that the matter will be taken up but treated in a way which maintains complete anonymity for the individual.

As we are sure you will understand, it is one thing to have a set of laws which are adhered to by legitimate practicioners and another to enforce them on those with much less probity. We would simply say that any help along the lines outlined above by your readers *can do nothing but assist us to* stamp out nefarious practices.

This country is fighting for its economic life and industry needs all the assistance it can get, not least from gathering legitimate information based on accurate data, such as the genuine market research industry is dedicated to providing—honestly.

Eileen Cole,
A. F. C. Leighton,
c/o Research Bureau,
P.O. Box 203,
Greenford, Middx.

Export cover

From Mr. J. G. Phillips

Sir,—Barrie Quilliam's letter (March 30) sought to provide a few sober thoughts for the potential British exporter of the limitations of insurance cover through the Export Credit Guarantees Department.

Indeed, one would have thought that a British company wishing to utilise ECGD insurance facilities would have scrutinised very closely the terms of their credit insurance cover well before the eventuality of having to make a claim!

Secondly, is it not natural for an insurer to be fully satisfied as to the "validity" of a claim before he pays up? Surely no businessman would deny him that right.

Finally, Mr. Quilliam complains that in selling against letters of credit there is no cover where the letter of credit is not accepted by the paying bank "due to some minor mistake in documentation," and the customer then decides not to take the goods. Surely the whole point here is that it is the importer who specifies the documents required, and it is up to the exporter to ensure that he can fulfil these requirements before concluding the terms of trade.

It would appear that Mr. Quilliam's problems might well be eased if he complied with the terms of an irrevocable letter of credit accepted or confirmed by a British bank, all banks being fully conversant with the Articles of the *"Uniform Customs and Practice for Documentary Credits"* publication which seeks to dispel the very dangers of which Mr. Quilliam speaks.

J. G. Phillips,
2, Alpha Cottages, Sunningdale,
Ascot, Berks.

Problems with the Revenue

From the Professor of Business Policy, Cranfield School of Management

Sir,—*In September, 1978,* a colleague and I formed a limited company. The purpose of the company was to obtain the distribution rights in the UK for a product manufactured in France. For the past six months we have been negotiating with the French company and we have now been successful in obtaining the distribution rights. During this period the company has made no sales and has made no payments to any employees. The Inland Revenue was advised of this situation in early January with the promise that I would inform them when the situation changed. Both before and after this date I have received, as secretary of the company, a constant flow of communications from the Inland Revenue. To date this adds up to 3¼ lbs weight of paper. I have received 14 different forms with between two and 12 copies of ten of them, nine different sets of instructions, 12 different sets of tables, three different booklets, and 16 prepaid reply envelopes.

My reaction to this flow of paper, which culminated in four communications on each of four days last week, is one of amazement. Amazement that the supposedly overworked Revenue have so much time to devote to a totally non-productive activity. But more importantly amazement that anyone can be so tenacious as to actually create companies and employment in this country when doing so requires so much energy on *comprehending and completing* forms from the Inland Revenue. If we are serious about encouraging small companies, we must very seriously stem this ludicrous flow of paper.

Finally, should the Inland Revenue, in one of its spare moments, happen to read your correspondence columns, I should advise them that the company is unlikely to have any income and hence any paid employees for at least another 18 months. The reason: the product is sitting in a 15-18 month queue at another Government department where it has to receive approval before it can be sold in the UK.

C. J. Constable,
Cranfield School of Management,
Cranfield Bedford.

From Professor John Heywood

Sir,—You report (March 31) that the taxmen are opposed to self-assessment. This is not surprising since no group likes to see itself reduced in significance either in the content of the job it does or through a reduction in numbers employed. In the absence of training and possibly some simplification of the tax system it is to be expected that the trials would report failure. It would have been better if the *experiment had been properly* designed and conducted by an independent organisation. Such design would have incorporated trained and untrained groups.

It is one of the failures of secondary education that it does not prepare children to cope with bureaucracy. The Conservatives who claim that they can reduce the civil service machine have in the tax system an ideal area for reform. But they must realise that the traditional and purist approach to the school curriculum which they seem to advocate clearly has little bearing on the realities of life if national performance either of Government or industry is the measure.

John Heywood,
155 Brookdale Avenue,
Greasby, Wirral, Merseyside.

Today's Events

U.K.: Teachers' pay negotiations.

Sir Richard Marsh, Newspaper Publishers' Association chairman, at Building Material Producers lunch, London.

Overseas: Hong Kong to Canton railway re-opens after 30 years' closure.

IMF sells 470,000 ounces of gold in Washington.

PARLIAMENTARY BUSINESS

House of Commons: Banking Bill, consideration of Lords amendments. Nurses, Midwives and Health Visitors Bill, Lords amendments. Estate Agents Bill, Lords amendments. Proceedings on the Acient Monuments Bill (Lords) and on three consolidation measures, the Exchange Equalisation Account Bill (Lords), the International Monetary Fund Bill (Lords) and the Prosecution of Offences Bill (Lords).

House of Lords: Motion to approve Immersat (Immunities and Privileges) Order 1979. Consolidated Fund (Appropriation) Bill, Finance Bill, Weights and Measures Bill and Leasehold Reform Bill, all stages. Crown Agents Bill, Consents to Prosecutions Bill and the Pneumoconiosis, Etc. (Workers' Compensation) Bill, remaining stages.

Royal Assent will be given to *all outstanding Acts and Parliament* will then be prorogued prior to dissolution on Saturday April 7.

COMPANY RESULTS

Final dividends: Bridon, Chersonese (FMS) Estates, Hiltons Footwear, William Jacks and Co, Lyon and Lyon, Phoenix Assurance Company, Southampton, I. of W. Steam Packet, Sun Alliance and London Insurance. Interim dividends: Burns-Anderson, Consolidated Gold Fields, Peachey Property Corporation, Peter Stores.

COMPANY MEETINGS

See Company News on Page 21

UK COMPANY NEWS

Bank of Scotland over £34m—provisions lower

WITH THE clearing bank side benefiting from lower bad debt provisions, and higher interest rates, Bank of Scotland lifted taxable earnings by £5.3m to £34.25m in the year to February 28, 1979. This growth included a jump in its share of associates' profits from £766,000 to £2.15m.

Average base interest rate was 10.11 per cent (7.85 per cent) during the year and net interest revenue was also enhanced by a higher level of lending, both in sterling and foreign currency.

Service charges and commissions showed a moderate increase but expenses rose much more substantially, both in percentage terms and absolutely.

A £2.24m charge to profit for bad debt provision represented a major reduction from the 1977-78 level.

Against strong competition, and in the face of higher money costs and operating expenses, the group's finance house subsidiary North West Securities raised its contribution by over £0.4m to £7.92m. The merchant banking offshoot, British Linen Bank finished some £0.3m better at £3.47m on increased volume in all areas including corporate finance, commercial loans, acceptances and leasing.

The net total dividend is stepped up to 12.1652p (10.9768p) by a final of 6.083p per £1 capital share.

Realised gains on banking investments of £407,000 (£1.7m) have been included in the results.

In common with the four larger London clearing banks, the Bank of Scotland has dropped the Leach-Lawson rules on disclosure and for the first time publishes details of provisions for bad and doubtful debts. At the opening of the year these provisions amounted to £31.52m but after write offs, less recoveries, of £5.99m and the £2.24m charge to revenue they finished the period at £27.77m.

Total advances, including those considered risk free, totalled £1.58bn at year end. A revaluation of group properties on December 1 revealed a surplus of £17.43m over book. This has been taken to reserves which were up from £113m to £149m, raising shareholders' funds to £182m (£146m).

	1979 £000	1978* £000
Operating profit	32,107	28,189
Share of assocs.	2,145	766
Pre-tax profit	34,252	28,955
Tax†	12,908	10,976
Net profit	21,344	18,029
Extraord. gains	945	745
Attributable	22,289	18,774
Dividends	3,950	3,537
Retained	18,339	15,237

* Adjusted comparatives.
† In line with SSAP 15 on deferred tax.

See Lex

HIGHLIGHTS

Lex considers the monetary projections contained in the Chancellor's truncated Budget speech yesterday in the light of the Government's borrowing requirement ahead of a full package of fiscal and monetary measures. The column also looks at Japanese bonds in relation to the sharp fall in the Yen. The Bank of Scotland reported preliminary profits yesterday which Lex regards as somewhat disappointing. Other companies reporting included Spirax-Sarco Engineering which continued its strong growth record, money broker R. P. Martin, which declared a fall in profits and dividends, Cape Industries and Edgington where the loss of a substantial contract led to redundancies, a 40 per cent reduction in capacity in the camping manufacturing division and a 10 per cent drop in overall profits. Yearling rates fell half a point to a six month low of 10¾ per cent.

St. Piran hits back at critics

THE BOARD of Saint-Piran has hit back at criticisms levelled by dissident shareholders about the conduct of the poll at Friday's EGM.

The dissidents, led by Mr. Max Lewinsohn, claimed that the votes of 5 offshore companies were not valid. Coopers and Lybrand, the scrutineers appointed by Mr. Lewinsohn with the consent of the Saint Piran board said: "following legal advice we are not satisfied at present that instruments of proxy in respect of the following votes against all the resolutions are valid."

Mr. Lewinsohn has also questioned whether the board is entitled to ignore the findings of one of the scrutineers. The report by Coopers was not read out to the EGM.

But Mr. Douglas Allen, the director of Saint Piran in charge of public relations, has obtained an opinion from leading counsel that the meeting and the poll were conducted scrupulously, correctly and in accordance with the articles of association. The articles were very precise on the relevant points, he said.

The EGM, which was called to consider motions to change the board, has been adjourned until April 11.

Spirax-Sarco reaches £5.9m with 17.6% rise

FURTHER PROGRESS in the second half of 1978, with profits higher at £3.25m against £2.8m, resulted in full year pre-tax surplus of Spirax-Sarco Engineering, fluid control equipment specialist, ahead 17.6 per cent from £5.03m to a record £5.92m. Turnover rose by 18.6 per cent to £34.71m.

The directors say order intakes so far in 1979 have been satisfactory, especially in relation to the present low level of world economic activity.

Overall volume, net of price increases, is being maintained ahead of last year: but they see no signs of great improvement in the company's established markets in the near future and it must rely for real growth upon new ventures abroad.

These are still comparatively young and will not yet yield major advances, the directors explain.

Nevertheless, they say, growing new economies need the company's equipment at an early stage of their development just as its products are needed in sophisticated economies to assist maximum plant output and save fuel costs.

In general, the directors look forward to further progress in 1979, given reasonable world trading conditions.

Stated yearly earnings rose from an adjusted 18.2p to 20.3p per 25p share, while the dividend total is effectively stepped up from 4.48115p to 4.96p net, with a 2.86p final.

Tax, with SSAP 15 applied, took £1.74m (£1.43m) and after extraordinary debits of £93,000 (£383,000) and minorities, attributable profits increased from £3.09m to £3.95m.

Interest charge for the period was up from £421,000 to £456,000.

Capital expenditure during 1978 amounted to £3.23m (£2.57m) and net borrowings rose from £1.44m to £2.97m at the year-end.

	1978 £000	1977 £000
Turnover	34,707	29,289
Trading profit	6,375	5,453
UK	4,144	3,277
Overseas	2,231	2,176
Interest payable	456	421
Profit before tax	5,919	5,032
Taxation	1,741	1,428
UK	1,147	678
Overseas	594	750
Net profit	4,178	3,604
Minorities	130	128
Extraordinary items	93	383
Attributable	3,955	3,093
Dividends	995	890
Retained	2,960	2,203

● **comment**

Spirax-Sarco is still doing enough to merit a premium rating. The UK, particularly, has again been a strong market, with a 26 per cent improvement at the pre-interest profit level. Overall margins have been broadly stable and the near 19 per cent rise in group turnover clearly contains an encouraging gain in sales volume. The defensive attractions of energy-saving products have been clearly established during the current world economic recession but the group is now saying that the short-term growth potential of its more mature markets is somewhat limited. The spotlight therefore turns on recent overseas expansion, especially new manufacturing capacity in Brazil and in South Korea, where the group is one of the comparatively few outsiders to take a majority stake in a local company. That will probably be more of a medium-term factor, however, and the shares at 190p will be supported more by the group's proven ability to maintain margins and volume in tough conditions than by the near 4 per cent yield on the four times covered dividend. The p/e is about a point over the sector average at 9.2.

Cape Inds. ahead to £12.7m

Taxable profits of Cape Industries rose from £11.86m to £12.73m in 1978 on turnover ahead from £155.37m to £180.28m.

At the halfway stage the pre-tax surplus was down from £6.73m to £5.63m but the Board then said it was confident of making progress in restoring profit levels in the second half.

The group, which is a subsidiary of Charter Consolidated, was boosted by a reduction in extraordinary charges—down from £3.18m to £520,000. After these charges and tax of £2.2m, against £2.45m, profit attributable comes out nearly £4m higher at £10.03m.

The building and insulation division increased trading profits by 57 per cent to £8.7m.

But the automotive side was hit by pressure on margins and lower-than-expected demand for friction materials in the UK which resulted in a 10 per cent profits reduction to £2.18m.

World demand for asbestos fibre continued to be weak. This was reflected in a further fall in the mining division's profits from £6.02m to £4.18m.

Stated earnings per 25p share are up from 39.1p to 43.9p. The final dividend of 5.9691p net raised the total from 8.2868p to 9.1639p.

● **comment**

The building and insulation division, which contributes almost 60 per cent of turnover, was responsible for Cape Industries slightly better pre-tax profit in 1978. The asbestos cement subsidiary recovered well while the fire protection products of Cape Boards and Panels jumped ahead on the back of a new range introduced during the year. But it was the insulation side that was the profit power house. Margins were maintained at high levels on better turnover from both the manufacturing operation and the installation contracting business. Overall margins for the building and insulation division were up from 6.7 per cent to 8.3 per cent with insulation margins at least a quarter better than the divisional average. On the automotive and engineering side (sales 29 per cent of total) margins slipped for the first time in five years from 5.6 per cent to 4.2 per cent. UK demand for replacement parts was very low at the beginning of the period and only slowly picked up; there were some redundancy and start-up costs for the U.S. operation but these only took the edge off the figures. The downturn was principally due to difficult trading. The shares, at 161p, are on a p/e of 3.5 on a low tax charge and a yield of 8.9 per cent. With some growth in profits likely in 1979 the rating is a little conservative.

Savoy Hotel profit down to £1.1m: hit by higher costs

FOLLOWING the fall from £873,000 to £432,000 in the first six months, the Savoy Hotel reports profits, before tax, of £1.11m for 1978 compared with £2.69m a year earlier.

Trading profit amounted to £4.78m against £5.16m before increased deductions for costs of general maintenance, depreciation, dividends and interest, and interest payable.

In their interim report, the directors said the second half of the year should be satisfactory. No tax was paid on the first half profit by reason of capital allowances.

The year's dividend is 1.149p compared with an equivalent 1.0154p. An additional dividend of 0.015p declared last October is to be added to the 1978 payment.

	Year 1978 £	1977 £
Trading profit	4,783,081	5,158,657
Cost of general maintenance	2,791,632	2,201,883
Deprec. & amortiz.	438,037	326,980
Divs & interest	81,357	73,049
Interest payable	518,633	368,498
Refund of rates	13,229	352,819
Profit before tax	1,109,368	2,688,174
Tax credit	123,493	*719,691
Net profit	1,232,958	1,968,483
Minorities	49,227	8,193
Extraord. debits	282,444	803,656
Dividend	325,684	287,770
From cap. reserve	284,497	891,448
Retained	8,881,931	7,821,981

* Charge

● **comment**

Occupancy rates at London's central hotels in 1978 were down on the record levels achieved during the 1977 Jubilee celebrations and Savoy, with no provincial hotels or gambling interests to sustain it felt the impact. Price rises pushed total turnover up by 11.5 per cent but, with margins under pressure, trading profits were down 7.6 per cent to £4.76m. The Forest Mere health centre in Hampshire made a significant initial contribution to group results but the company is not disclosing the figure at this stage. Earnings per share have been helped by the £123,000 tax credit (last year the tax bill was £719,691) and, on the "A" class ordinary shares are 4.28p compared with 7.1p a year ago. The shares, at 98p have a p/e of 22.6 and a yield of 1.8 per cent, clearly supported by bid speculation. Grand Metropolitan acquired 15 per cent of the votes last September, and another 4 per cent recently went to British and Commonwealth Shipping.

EXPANSION FOR FORDING COAL

Increased sales, lower costs

Increased sales, lower costs and a small price increase combined to lift 1978 profits at Fording Coal, the Canadian Pacific Investments-Cominco unit, writes John Soganich from Toronto.

Net income was C$19.5m (£8.1m) compared with C$12.3m in 1977, while sales were 2.8 long tons against 2.3m long tons.

Fording, whose Elkford mine in British Columbia is the second largest metallurgical coal operation in Canada, is engaged in an expansion plan. It is now decided to undertake preliminary development studies for two opencast mines and one underground mine in Alberta.

These studies will be submitted to the provincial Government for scrutiny. Some of the company's Alberta reserves are already being worked by other operators for local power station use.

The future of the deposits also depends on the availability of markets. Fording is adopting a more aggressive sales policy, seeking to diversify away from the Japanese market.

McIntyre Mines, which has been selling to Japan since 1969, has agreed a further contract with the steel mills for the sale of 800,000 long tons a year for two years from its Smoy River mine in Alberta. The price is U.S.$59.05 a ton.

BRAINTREE BONDS

Braintree District Council is raising £0.5m through the issue of 12 per cent bonds due on March 30, 1983 while Hartlepool Borough Council is issuing £0.75m 12¼ bonds due on April 4, 1984. Both are issued at par.

Law Land advances to £312,095

FOLLOWING A downturn in halfway profits from £358,279 to £237,248, the Law Land Company, property investment and development group, finished 1978 with pre-tax surplus up from £134,337 to £312,095, on turnover up nearly £1m to £9.93m.

Basic earnings per 20p share are given lower at 0.85p to 1.5p, and a final dividend of 0.6p lifts the total net payment from 1p to 1.1p.

The directors estimate that a valuation of the group's properties held as fixed assets on an open market basis would show a surplus in excess of £5m over book value of £50.65m.

	1978 £	1977 £
Turnover	9,926,148	8,974,096
Interest payable	2,600,860	2,807,952
Profit before tax	312,095	134,337
Tax	172,657	*46,210
Net profit	139,438	180,547
Minority profits	48,375	†116,617
Exceptional credits	119,893	—
From cap. reserve‡	100,000	240,000
Extraord. credits	602,394	1,524,371
To capital reserve	602,394	1,524,371
Preference divs.	12,250	12,250
Attributable ord.	298,206	526,914
Brought forward	848,184	671,436
Advorse sub. bal.§	88,626	2,422
Available	1,235,016	1,200,772
Dividends	387,856	352,588
Leaving	847,160	848,184

* Credit. † Losses. ‡ Relating to development properties. § Written back on liquidation.

At the year-end, the group's bank and short-term loans were reduced from £11.53m to £7.85m. Fixed assets stood at £50.83m (£49.58m) and net current assets fell from £7.68m to £4.69m.

American development costs continue to hit R. Martin

WITH share of associated companies' profits lower at £51,936 against £98,725, taxable surplus of R. P. Martin fell from £359,853 to £287,888 in the six months to December 31, 1978.

Turnover of this foreign exchange and currency broker increased from £1.94m to £2.4m.

After tax of £225,355 (£239,629), stated earnings per 5p share are lower at 1.5p (2.4p). The net interim dividend is reduced to 1.5p compared with 2p—last year's total payment was 4.5p on pre-tax profits of £843,812.

The directors say group profitability continues to be impaired by the development costs both in New York and Toronto.

Although the New York company had reached breakeven in the third quarter of 1978, it returned to a loss in the final quarter, partly as a result of extending the company's broking activities there into international foreign exchange.

Although they still expect that the group will in time benefit from diversification into the North American markets, they feel it is sensible only to pay a covered dividend and are therefore declaring a reduced interim.

● **comment**

Hope has been deferred at R. P. Martin too often for the market to take kindly to another drop in profits and dividends. Shares in the international money broker fell 13p yesterday to 50p. Not for the first time, the company has blamed the expense of setting up foreign operations—this time it is the cost of starting foreign exchange business in New York and a new office in Toronto. The American money broking scene is extremely competitive and R. P. Martin, being late on the scene, is having to work hard to establish itself. As money broking becomes more and more international and commission rates are cut, the smaller fry are finding it hard going. There has already been one merger this year. Martin is not in a strong position although its balance sheet is perfectly sound. It has wisely decided to pay only covered dividends while the future is clouded. If last year's final was repeated, the yield would be 12.3 per cent. The shares are vulnerable to a further fall.

Halstead surges at halfway

FIRST HALF performance only £31,000 short of last year's record pre-tax total is reported by James Halstead (Holdings) and the directors are confident of continued progress.

For the six months to the end of 1978 the vinyl flooring and flooring accessories manufacture expanded profit from a depressed £103,384 to £754,472, on sales almost £1m ahead at £9.68m.

Substantial advance was forecast by the chairman in his annual report last November, following a 1977-78 second half jump which lifted the year's surplus from £197,000 to £785,000.

Discussions with the Treasury have failed to secure permission for more than a 10 per cent increase in dividend. However the net interim payment, based on half the probable full-year total, is stepped up to 0.423p (0.22p) per 10p share and the directors say they will consider a higher final than this if restraint is relaxed. The final last time was 0.584p.

After tax of £390,330 (£36,891) earnings for the half-year are shown more than five times higher at 3.37p, against 0.59p.

An extraordinary gain of £402 (£2,851) and dividend costs amounting to £51,089 (£27,362) leave retained profit at £313,455 (£41,982).

	Half year 1978 £	1977 £
Sales	9,675,548	8,739,321
Group profit	925,310	296,055
Depreciation	122,177	116,410
Debenture interest	13,809	15,981
Bank interest	34,852	60,280
Pre-tax profit	754,472	103,384
Tax	390,330	36,891
Net profit	364,142	66,493
Extraord. gain	402	2,851
Leaving	364,544	69,344
Pref. dividend	3,850	3,850
Ord. dividend	47,239	23,512
Retained	313,465	41,982

Girobank tourist service extended

NATIONAL GIROBANK bureau de change services are now available at 34 additional post offices in tourist areas including London, Stratford-upon-Avon and York.

Travellers' cheques and foreign currency can be exchanged for sterling on each week day and on Saturday mornings.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Spirax-Sarco	2.86	May 18	3.6*	4.96	4.48*
R. P. Martin int.	1.5	May 11	2	—	4.5
Black & Edgington	2.79	June 2	2.47	4.99	4.47
A. F. Bulgin	0.83	July 2	0.76	1.46	1.31
James Halstead int.	0.44‡	May 23	0.22	—	0.8
Burndeen Invs. int.	0.5	—	0.5	—	1
Union Miniere	400§	—	500	400	500
American Tst.	1	May 17	0.85	1.55	1.35
Bank of Scotland	6.08	May 21	5.45	12.17	10.98
Cape Inds.	5.97	May 29	5.3	9.16	8.29
C.L.R.P. Trust int.	0.9	June 1	0.8	—	2.1
Harrison & Sons	2.77	June 1	2.71	4.26	4.2
Law Land	0.6	July 10	0.5	1.1	1
Savoy Hotel	1.15	—	1.02*	1.15	1.02*

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Half probable full-year total. § Francs per share. ¶ To reduce disparity. ‖ Plus 0.015p special payment already declared.

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Black and Edgington hit by £0.6m camping loss

A NEAR £600,000 loss was made by the camping manufacturing division of Black and Edgington in 1978. But the group's pre-tax surplus was shown up from £2.68m to £2.91m after including £509,000 profits from the sale of property in the latest figures.

The directors says the loss-making division was hit by increased imports from the Far East and an export customer's failure to honour a large contract.

The losses included the substantial costs of rationalising the division which the Board anticipates will regain its viability on a smaller base. The company *closed three manufacturing units* and transferred one to smaller premises.

At the halfway stage the group had lifted taxable profits from £1.19m to £1.54m on turnover ahead *from £18.18m to £26.73m.*

The Board then said it was hopeful of a reasonable profits improvement for the full year. But it warned that retail camping division had suffered a marked change of fortunes and the manufacturing side had had to contend with cheap imports from South Korea. The directors added that the group turnover rise was due largely to new acquisitions.

Sales for the full year were up from £37.9m to £51.1m.

After tax of £610,000 (£744,000) net profit comes out at £2.3m against £1.94m. Stated earnings per 50p share are down from 11.78p to 9.91p.

The final dividend of 2.7888p net lifts the total from 4.4678p to 4.9888p.

	1978 £000	1977 £000
Turnover	51,100	37,900
Trading profit	3,147	3,184
Interest	957	733
Associated profits	150	143
Extraord. items	574	86
Pre-tax profit	2,914	2,680
Tax	610	744
Profit after tax	2,304	1,936

● **comment**

Stripping out the property sale, Black and Edgington's profits dropped by a tenth. This disappointed the market and the shares fell 10p to 90p where the yield is 8.5 per cent and the p/e 8.8. The result, which marks only the second time in 10 years that the company has reported a downturn, reflects a £1.1m turnround to £0.6m losses in the camping manufacturing division. Part of this was due to an inability to compete with cheap imports but the main reason was that a £3m contract in the Middle East failed to materialise. As a result the division has had to be rationalised — the workforce has been reduced by about 150 and production has been cut by 40 per cent. Elsewhere, Johnsons, one of the new acquisitions which has been integrated *into* the industrial workwear division, probably lost around £0.15m, but the rest of the group traded satisfactorily. In the current year the outlook will remain *uncertain until the summer*, when demand picks up on the camping, leisurewear and caravan sides.

Bulgin expands to £1.24m

PRE-TAX POFITS of A. F. Bulgin, electronic and electrical components manufacturer, rose from £1m to a record £1.24m in the year to January 31, 1979.

At halfway, when profits were up from £227,000 to £303,000, the directors expected record results.

After tax for the year of £646,529 (£503,932), earnings per 5p share are shown to have risen from 2.5p to 2.96p, and the net total dividend is lifted from 1.3145p to 1.455p, with a 0.83p *final*. The directors also propose a one-for-five scrip issue in "A" non-voting shares to all existing classes.

Amey Roadstone advances

For the six months ended December 31, 1978, Amey Roadstone, a subsidiary of Consolidated Gold Fields, reports pre-tax profits up from £13.98m to £19.08m on increased turnover of £171.89m against £127.9m.

In the current year, however, *trading has been severely* affected by the bad weather during January and February in the UK, the U.S., and Holland. Industrial strife has also had its effect in the UK, the directors *say*.

These factors will influence the second half year, but the board looks forward to an increase in profits from operations for the year as a whole.

The increase in first half turnover resulted not only from the effects of inflation, but from some increase in volume within the UK and the U.S. Buckland *Industries, which was acquired* in October, 1978, contributed profits in line with expectations.

The results from the construction, transport and shipping operations have not reached *expectations.*

The first half profit is after interest of £2.15m (£1.47m) and depreciation and depletion of fixed assets amounting to £6.68m (£5.59m). Tax charge is £6.75m *against £7.31m.*

Pru Pension funds reach £384m

A VERY successful year in 1978 is reported by Prudential Pensions, the pensions investment management company within the *Prudential Assurance* Company, with total funds under management rising from £226m to £384m.

Mr. Desmond Reid, in his chairman's statement, points out that this substantial growth came from two main sources. There were the transfers by existing clients of the Pru from insured schemes to managed funds resulting in £63m being brought into the company; and the introduction of the new State pension scheme, made a significant increase in their premium contributions. And there were 33 new schemes with no previous connection with the Pru. This produced £74m.

The Equity Fund rose in value from £75.1m to £138.2m, with the unit pricing jumping 7.6 per cent during the year. Since inception at the beginning of 1971, the unit price has risen by 165.4 per cent. During the year, the number of UK quoted equities was significantly increased and now totals over 100. Two unlisted companies were added to the portfolio bringing the number to three and investment in overseas equities continued. These now account for about 15 per cent of the portfolio.

The Fixed Interest Fund almost doubled its value in 1978 from £54.4m to £102.9m, but the unit price fell by 1.2 per cent over the year. However, the price of units has risen by 96.1 per cent since inception in April 1971. The fund remained fairly fully invested over the year, with over 90 per cent of the portfolio being held in long dated gilts.

The Property Fund rose by £48m during the year to £143m. A total of 23 properties were purchased during the year bringing the value of the invested portfolio to £122.5m. New purchases included the three office blocks in London each valued in excess of £5m. The new shopping precinct in Sunderland was also valued at over £5m. Two new farms were bought last year bringing the fund's agricultural holdings to around 5,000 acres. Agreements have been made to purchase a further four properties which together with proposed expenditure on existing properties represent commitments of about £8m.

Harrison and Sons down to £201,000

Taxable profits of Harrison and Sons, printer, fell from £303,000 to £201,000 in 1978, after a second-half downturn from £173,000 to £98,000. Turnover was higher at £20.46m against £17.66m.

The directors explain that the reduced profit was due to two factors: the decision to take into the year's trading results the costs of introducing the new computer-assisted typesetting systems at two of the group's factories; and the slow rate of call-off of work obtained to replace the shortfall in trading stamps.

They add that the results do not reflect the full resources of the group's capacity and, subject to external circumstances, it will continue to progress.

After tax for the year of £65,000 (£59,000), stated earnings per 25p share are down from 10.24p to 5.93p. The net total dividend is lifted from 4.196p to 4.26p, with a final of 2.773p.

	1978 £000	1977 £000
Turnover	20,458	17,658
Trading profit	788	831
Interest	587	528
Profit before tax	201	303
Tax	55	59
Net profit	146	244
Extraord. credit	—	3
Minorities	2	2
Attributable	144	245
Dividends	106	105
Properties revaluation	810	—
Retained	848	140

Burndene sees pick-up to £350,000

Although mid-year profits of Burndene Investments show a reduction, the directors forecast an increased full year result of around £350,000 pre-tax, compared with £312,864 last time. A peak £736,000 surplus was achieved in 1973-74.

For the *half-year* ended November 30, 1978, taxable profits fell *from £196,424 to £130,249*, on higher turnover of £5.01m (£4.43m).

After tax of £75,544 (£54,833) first-half earnings are shown down slightly from 0.56p to 0.53p per 5p share. The interim dividend is kept at 0.5p net—last year's total was 1p.

The directors point out that the disproportionate tax charge arises from unrelieved losses incurred by overseas subsidiaries.

The group's principal activities *are manufacturing caravans and* mobile homes, hosiery and knitwear, and property development.

American Trust earnings rise to 1.7p

STATED EARNINGS per 25p share of American Trust Co. rose from 1.42p to 1.7p in the year to January 31, 1979.

The revenue available for ordinary shares went up from £1.12m to £1.36m after tax of £1.04m (£0.81m). The final dividend of 1p net lifts the total from 1.35p to 1.55p.

Net asset value per share is shown as 60.6p (52.9p), after deducting prior charges at liquidation values.

Carlton sees further profit increase

Despite adverse factors, some further increase in profits of Carlton Industries is expected this year Mr. L. Roydon, the chairman says in his report to shareholders.

The year started with the combination of a hard winter, a transport strike and an unprecedented rise in the price of lead, the chairman says.

It is too early to quantify the resultant effects or to conclude whether lost ground can be recovered during the rest of the year.

Following the acquisition of a controlling interest in the group by Hawker Siddeley, figures for nine months to December 31, 1978 were produced and showed a pre-tax profit of £10.65m against £10.38m for the previous year.

The balance sheet as at December 31 shows bank over*drafts of £10.24m (£2.91m* at March 31, 1978) and loans of £7.46m (£16.5m). Borrowings increased by £8.83m (£3.09m reduction).

Meeting, Grand Hotel, Bristol, April 26 at noon.

C.L.R.P. Trust ahead midway

Revenue of C.L.R.P. Investment Trust advanced from £206,694 to £252,091 for the half-year to February 28, 1979, before tax of £92,707 against £74,488.

As forecast, the interim dividend is lifted from 0.8p to 0.9p net to reduce disparity and does not indicate an increased total — last year's final was 1.3p on *£525,000 pre-tax revenue.*

Net asset value is shown at 102.3p (101.5p) per 25p share.

Reduced loss for Titaghur Jute

With the loss in India down from £2.1m to £1.38 and UK *profits nearly £19,000 higher at* £113,431, the pre-tax loss of Titaghur Jute Factory Company came out at £1.26m for the year ended June 30, 1978 compared with a £2.01m deficit previously.

Loss per £1 stock unit is shown at 89.9p against 142.3p. Preference and ordinary dividends, last paid in 1972, are again omitted.

Indian operations in the first half showed losses of £750,000 *(£863,000) and directors then* said results for the second half would be no better. However, they added that the UK section, which produced first-half profits *of £35,000 (£55,000)*, should show *better results for the year.*

	Year 1977-78 £	1976-77 £
India turnover	24,513,673	20,126,370
UK	3,184,792	2,656,258
Total turnover	27,098,465	22,782,628
Indian loss	1,376,874	2,102,976
UK profit	113,431	94,796
Pre-tax loss*	1,263,443	2,008,182
Indian tax	—	325
UK tax	3,918	—
Net loss, after tax	1,259,525	2,008,507
Minorities	5,578	6,320
Attributable loss	1,253,947	2,002,187

* After depreciation and all charges.

Today's company meetings

Bath and Portland, 30 Manvers Street, Bath, 12. Carrington Viyella, The Dorchester, W, 12. Drayton Far Eastern Trust, 117 Old Broad Street, 12.15. Foreign and Colonial Investments, 1-2 Laurence Pountney Hill, EC, 12.30. IDC Group, Stratford-upon-Avon, Warwickshire, 3.30. Donald Macpherson, Winchester House, *100 Old Broad Street*, EC, 12. Securicor Group, Eccleston Hotel, Eccleston Square, SW, 12.30. Sterling Trust, Bucklersbury House, 11 Walbrook, City of London, 3.30. William Whittingham, Midland Hotel, New Street, Birmingham, 12. Yeoman Investment Trust, 8 Waterloo Place, SW, 11.

MINING NEWS

Palabora's luck still holds

BY KENNETH MARSTON, MINING EDITOR

AS WITH SO much else, a little bit of luck plays a vital part in the success of any mining operation and by any standards South Africa's **Palabora** has been a lucky mine. This **Rio Tinto-Zinc** group low grade copper deposit was brought to production in the mid-1960s when the price of copper was just starting a major move upwards.

And despite the reservations expressed in the industry at the time about such a low grade copper mine—its ore assays well under 1 per cent copper compared with grades of up to 5 per cent or so on the Zambian Copperbelt—Palabora paid a first dividend (12.5p) barely eight months after the start of production.

Since then, Palabora has continued to earn good money despite the setback in copper prices which developed in the mid-1970s and put most other copper mines on the breadline. Palabora has two important advantages, one being a ready market for its copper rod in South Africa and the other being its capacity to hold down costs to minimal levels.

In 1977-78 its operations were threatened by faults which developed in the two big new autogenous mills. At the same time the price of copper continued to sag. But again, Palabora has been lucky.

The mills have been kept going well enough and, last year, the fall in the value of the dollar and the then linked, South African rand meant that while the London copper price average fell to £711 per tonne compared with £750 in 1977, Palabora received R1,139 per tonne against R1,108.

Mr. G. A. Macmillan, the chairman, says in the 1978 annual report that the completion date for the replacement mill shells has been delayed and their installation will not now take place before mid-1979.

This means that the loss of production while they are being changed—estimated at about 5,000 tonnes of copper—will all take place in 1979 instead of being spread over the last quarter of 1978 and the first quarter of 1979 as originally envisaged.

Luckily, Palabora is now enjoying much higher copper prices than in 1978, especially for its high purity copper production. These should thus offset the loss of revenue from the shortfall of 5,000 tonnes which compares with last year's production of 114,652 tonnes.

In which case it seems that there should still be room for a further increase in the 70 cents (40p) per share dividend rate despite the anticipated rise in costs of R45 per tonne of copper.

Perhaps Palabora's luckiest break came right at the beginning when the mine secured the services of Ed Hunt, an engineering wizard who showed the world how to turn, a then, impossibly low grade deposit into one of the world's most efficient and lowest cost copper mines.

In so doing, he provided the financial success that the young RTZ group needed at that time. Ed Hunt retired as deputy chairman and a director of Palabora at the end of last year. It is pleasing to note that he has been appointed honorary life president of Palabora in recognition of his achievement.

Mixed demand for asbestos

PROSPECTS ARE mixed for **Msauli and Griqualand Exploration and Finance (GEFCO)**, the two South African publicly-quoted asbestos producers managed by **General Mining**, writes Jim Jones from Johannesburg.

The crysotile producer, Msauli, faced with increased competition and Russian dumping in Far Eastern markets reduced its fibre production from 100,700 tonnes in 1977 to 71,000 tonnes in 1978. But as consumers became more demanding in their requirements, the percentage of higher-priced longer fibre sales increased meaning that 1978 turnover fell to R16.2m (£9.3m) from R18.1m in 1977.

Msauli has nearly completed a major improvement to its recovery plant as well as improving the flexibility of its underground mining operations. According to Mr. Wally Walters, the chairman, it is flexible enough to cope with short-term demand shifts.

The crocidolite (Cape blue) producer, Gefco, which operates in Cape province, closed half of its mines in 1978. However, following a relatively heavy capital expenditure programme aimed at improving plant recovery efficiencies and helped by higher mill head grades, fibre recovery dropped only 15.5 per cent to 64,338 tonnes from 76,103 tonnes in 1977, as mill throughput fell 38 per cent to 454,000 tonnes.

For the near future, Mr. Walters, who is also chairman of this company, sees little prospect of demand improvement with aggressive competition and price resistance in many countries. The mines contained unit costs well in the face of production cut-backs and expect to benefit significantly once production again rises to full capacity.

ROUND-UP

Kagoorlie Mining Associates has decided to resume work at the gold leases on Australia's golden mile, although bullion prices are not yet sufficient to yield an acceptable profit from mining. The redevelopment programme—believed to cost some A$18m (£9.78m) in all—will be taken cautiously over 3½ years and will be reviewed after 12 onths. KMA is a partnership between Kalgoorlie Lake View and Homestake. Poseidon owns 47 per cent of KLV.

Comalco is cautious about 1979 outlook

COMALCO, the Rio Tinto-Zinc group's Australian bauxite and aluminium complex, is more hopeful about the prospects for the international market this year than for the domestic market. This is clear from the annual statement of Sir Donald Hibberd, the chairman, published in London yesterday.

Although there are signs of a revival in consumer demand in Australia, industrial capacity is still not being used at a satisfactory rate, Sir Donald said. The rate of recovery in the building industry is slow and Comalco is having difficulty in recruiting enough labour.

Despite the effects of the increase in oil prices internationally, the world supply of aluminium is tight and prices are rising. Stocks have been reduced and new smelter capacity is not likely to meet higher demand this year, Sir Donald noted.

To some extent, this is a swings-and-roundabouts situation for Comalco. Its bauxite sales in traditional marketing areas like Europe and Japan have been reduced, and production at Weipa in Queensland declined last year for the first time. But this is counter-balanced by the strength of demand for aluminium. Last year primary aluminium sales rose by 30 per cent.

The group's bauxite problems are not wholly confined to temporary sluggishness of demand. The directors made clear in the annual report that further competition from other bauxite suppliers is expected this year, citing specifically Brazil and Guinea.

Comalco's reaction is to look for new market outlets to offset the shortfall in demand from Europe and Japan. The group is 45 per cent owned by Conzinc Riotinto of Australia and 45 per cent owned by Kaiser Aluminium of the U.S., and last year made a net profit, before extra-ordinary items, of A$45.1m, achieving a return on invested capital of 9.7 per cent against 11.1 per cent in 1977.

OIL AND GAS NEWS

Bow Valley abandons Vietnam well

A SECOND exploratory well drilled offshore Vietnam in the South China Sea has been plugged and abandoned. The well was drilled by a consortium of Canadian oil companies with Bow Valley Industries the operator.

The latest well, 29A-1X on Block 29, failed to contain hydrocarbons in commercial quantities and follows the abandonment, early last month, of the initial exploratory well on Block 28.

Drilling of both wells was carried out by the semi-submersible rig Dan Queen, which has now been released. No further drilling is planned until all of the technical data of the first two wells has been reviewed.

Bow Valley has a 30 per cent interest in the operation; other participants are Siebens Oil and Gas and Westburne International Industries, also with 30 per cent apiece, and Sceptre Resources with the remaining 10 per cent.

* * *

A consortium of U.S. oil companies have begun drilling at the Block 642-1 wildcat well in the Baltimore Canyon 100 miles offshore Atlantic City in 450 feet of water.

Texaco is the operator of the well. Other participants include Tenneco Oil Exploration and Production, Aminoil U.S.A., Getty Oil, Sun Oil, Allied Chemical, Transco Exploration, and Freeport Oil.

* * *

Sandstones with hydrocarbon indications have been recovered over the interval 2,417 metres to 2,447 metres at the Broken Hill Proprietary/Esso Fortescue No. 4 well in the Bass Strait.

The well has ben drilled to around 2,451 metres. Electrical logs and wireline tests are being carried out to evaluate the hydrocarbon indications.

Fortescue No. 4 is being drilled to prove up the Fortescue Field the existence of which was established last September when drilling at the West Halibut 1 wel encountered hydrocarbons in the area.

The southern extension of the fied was outlined by successful results from the No. 2 well which revealed a seven metre oil zone. At the No. 3 well sandstones with indications of hydrocarbons were recivered over the interval 2,440 to 2,465 metres and oil was recovered on a wireline test run at 2,440.

Aslo being drilled by BHP/Esso in the Seewulf 1 well in the Exmouth Plateau. The well has reached a depth of 2,315 metres below sea level. Target depth is 3,410 metres and zones of interest are at 2,400 metres and 3,200 metres below sea level.

UK COMPANY NEWS

Broader base for Gallaher

DEVELOPMENT of the non-tobacco interest of Gallaher will continue both in the UK and overseas, says Mr. A. W. H. Stewart-Moore, the chairman, in his annual statement.

The tobacco business will remain strong in the UK, although with limited growth; but the group will look for growth from its overseas tobacco interests.

He adds that it is not easy in the present political, economic and industrial circumstances to forecast what lies immediately ahead for the group.

As reported on January 31, pre-tax profits of this wholly-owned subsidiary of American Brands Inc., rose 8.3 per cent to £51m in 1978, on sales 8 per cent higher at £1.52bn.

The chairman says the UK cigarette market was static during the year, and the group's market share remained stable. The king size market increased from about a quarter to a half of the total market which was reflected by higher sales of its own brands.

Pipe and hand-rolling tobacco sales were maintained and in some cases reached best-ever levels, while sales of the group's cigar brands were ahead of the market increase.

The Irish Republic business increased its sales in every sector for the seventh successive year, and profit was significantly better than the previous period.

Export business continued to make progress, and exports totalled £27.08m (£24.44m).

The optical concern Dolland and Aitchison Group again achieved higher profits, turnover and volume.

Bank loans, etc. were reduced from £111.03m to £57.84m, while bank balances and cash increased from £4.47m to £6.46m.

Capital expenditure totalled £18.41m (£15.84m) — £8.47m (£8.86m) is in respect of contracts placed but not provided for, and £9.95m (£6.88m) for items authorised but not contracted.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Burns-Anderson, Consolidated Gold Fields, MTD (Mangula), Peachey Property, Peters Stores.

Finals—Blantyre Tea, Bridon, Chersonese (FMS) Estates, Dinkie Heel, Hiltons Footwear, William Jacks, Lyon and Lyon, Phoenix Assurance, Southampton, Isle of Wight and South of England Royal Mail Steam Packet, Sun Alliance and London Insurance, Transatlantic Market Trust.

FUTURE DATES

Interims—	
Boulton (Wm.)	Apr. 10
Kwik Save Discount	May 4
Reliable Properties	Apr. 6
Finals—	
Armitage Brothers	Apr. 10
Astbury and Madeley	Apr. 10
Christies International	Apr. 11
Combined English Stores	Apr. 10
Coral Leisure	Apr. 12
Cory (Horace)	Apr. 11
Eagle Star	Apr. 11
Evered	Apr. 6
Fogarty (E.)	Apr. 25
Gaskell (Bacup)	Apr. 6
Hawker Siddeley	Apr. 11
Laing (John)	Apr. 30
Lec Refrigeration	Apr. 11
Nathan (B. and I.)	Apr. 10
Oxley Printing	Apr. 24
Richards and Wallington	Apr. 12
Rio Tinto-Zinc	Apr. 19
Selection Trust	Apr. 10
Trust Union	May 23

Heron gets $25m loan for expansion in U.S.

Heron Corporation has arranged a $25m loan facility to finance its expansion plans in the U.S.

The money will be used to buy trading companies and property interests in the U.S., although Mr. Gerald Ronson, Heron's chief executive says no acquisitions are likely to be made before 1980.

Mr. Ronson added, "We are now working closely with our advisers to establish areas of business in the U.S. most suited to Heron's experience and management style. Now that this facility has been arranged Heron is ready to take immediate advantage of opportunities as they arise.

"We have already examined a number of potential acquisitions in the U.S. but Heron is not going to be rushed."

Mr. Ronson said roughly 80 per cent of the company's assets are now based in the UK with the rest in Europe. "Ultimately we hope to make it 50 per cent in this country with the balance split equally between Europe and the U.S."

The $25m loan facility, he stressed, should be seen simply as capital for the U.S. subsidiary. "We will not necessarily spend it all," he said.

The loan facility, which is for eight years, unsecured, has been made available by a syndicate of British banks headed by Barclays Merchant Bank.

REDIFFUSION ACQUISITIONS

Rediffusion has acquired the capital of Tower Engineering (Newquay), in the South West. It has also purchased the television rental assets of Maymace of Bristol, which trades as Rentacolour, and H. W. Smith (Weymouth).

Altogether more than 4,000 television rental contracts and three shops are involved in these transactions. The total cost of the purchases is upwards of £700,000.

CAPARO LIFTS BARROW HEPBURN STAKE TO 23.6%

Caparo, the Indian-owned company with steel interests, has increased its stake in Barrow Hepburn from 16.8 per cent to 23.61 per cent.

Caparo's holding in the leather group now amounts to 5.69m shares. Mr. Swraj Paul, a director of Caparo also owns 80,000 Barrow Hepburn shares which together with those held by his company adds up to a 23.91 per cent stake.

In the past fortnight Caparo has stressed that it has no intention of making a bid and views its holding as a long-term investment.

Caparo did say the stake might open up useful outlets following the establishment of its steel plant in South Wales.

Gillett Bros. stake in U.S. money dealer

GILLETT BROS., one of the smaller London discount houses, has paid $400,000 for a 10 per cent stake in Lombard Wall International. This follows moves by other London discount houses to establish links with U.S. money market dealers.

Total outstanding Eurodollar certificates of deposit amount to $28.6bn and, though they are issued by banks in London it is reckoned that well over 80 per cent of the turnover now takes place in the U.S.

Although London discount houses have been involved in Eurodollar CD trading for many years they have been put at a growing disadvantage because of their lack of U.S. outlets.

Gerrard and National took a 6 per cent stake in First International Money Markets Inc. (FIMM) last September and Allen Harvey and Ross has a working arrangement with Ehrlich Bober and Co. Inc. Other discount houses have also entered into similar sorts of deals to bolster their Eurodollar CD operations.

Lombard-Wall International is owned by Lombard-Wall Inc. of New York and the Girard Company of Philadelphia. It has offices in New York and San Francisco and overseas offices in London and Nassau. It is a leading trader in money market securities, especially Eurodollar certificates of deposit.

Both Lombard-Wall and Gillett will continue to conduct their Eurodollar business independently but the Boards of both companies look forward to increased opportunities for co-operation. Mr. Richard Law, a managing director of Gillett, will sit on the Board of Lombard Wall.

CUSTOMAGIC

Mooloya Investments announces that its acquisition of the 1,150,000 Customagic Manufacturing shares held by companies controlled by Mr. Michael Ashcroft has been completed, and that Sir Cecil Burney, BT, and Mr. Ashcroft have resigned from the Customagic Board.

Mooloya's total holding in Customagic amounts to 5,111,188 ordinary shares, representing 97.35 per cent of the Customagic capital.

SHARE STAKES

Costain Group — Prudential Group as a result of recent sales now holds less than 5 per cent of the ordinary shares. Total holding of deferred ordinary shares is 846,607 (6.10 per cent).

Sanderson Murray and Elder (Holdings)—Williams and Glyn's Executor and Trustee Company (Channel Islands) as trustees of Tyndall Jersey Fund has sold its holding of 115,000 shares.

Refuge Assurance Company—Mr. J. Proctor-Pearson, director, has sold 80,000 shares at 158p, 50,000 beneficial and 30,000 as trustee.

Findhorn Finance—Arbuthnot Latham Holdings on March 13 disposed of 5,000 shares reducing holding to 70,200 shares (9.36 per cent).

Marley—Mr. O. A. A. Aisher, director, has disposed of 24,000 shares.

Ailsa Investment Trust—Cornhill Insurance Company has bought 60,000 shares making interest 1,102,036 shares (16.07 per cent).

Bath and Portland Group—Eagle Star Group is no longer interested in the preference shares having disposed of 40,000 on March 14.

British Electric Traction Company—Mr. J. S. Murray, director of Boulton and Paul—subsidiary of BET—has sold 30,000 BET deferred shares.

Molins forecasts further growth

CONTINUED expansion in 1979 is forecast by Sir Harry Moore, the chairman of Molins, international precision engineer, in his annual statement.

He says increased efforts are being devoted to the group's product development throughout the range: capital spending, especially on new productive equipment, is being raised; and the group is rapidly improving its spares and service activities.

The directors are therefore confident that the group will improve its position as a leading supplier to the industries it serves worldwide.

As reported on March 22, taxable profits rose from £8.3m to a record £11.6m for 1978, on sales up £18.1m to £105.5m.

On a CCA basis, pre-tax profits are reduced to £6m (£3.7m), after adjustments of £1.5m (£1.3m) for depreciation, £5.1m (£4.2m) cost of sales, partly offset by £1m (£0.9m) gearing.

National disputes in the UK during the early part of this year affected group profits and cash flow, which will be reflected in first-half results.

However, he is confident that most or all of the lost ground can be made up before the end of 1979, and barring further major outside disruptions, an improvement in profits is expected.

Members are told that the order position for cigarette making combinations is good and manufacturing capacity is fully committed for the current year.

The order intake for spares is satisfactory, but the order position for packing and handling equipment is less so and much depends on the success of the HLP4 system.

On the paper and packaging machinery side, order books for Masson Scott Thrissell in the UK and Langston in the U.S. are steadily growing as their competitive position improves.

The directors anticipate a continuation of this improvement in 1979, but say it will take a little time before an acceptable return on capital invested is achieved.

At March 5, 1979, BAT Industries held 23.6 per cent of the equity and Imperial Group 24.2 per cent.

Meeting, London Press Centre, EC, April 25, at 12.15 pm.

Highland Electronics up 25%

A 25 per cent advance in taxable profits is reported by Highland Electronics Group for the half year to October 31, 1978. On sales ahead from £3.19m to £3.94m the pre-tax surplus rose from £254,982 to £320,553.

And Mr. Michael Cohen, chairman, says he is confident of a good improvement for the full year. Last year the group, which makes electronic components, turned in pre-tax profits of £555,000 on turnover of £6.71m.

Net profits rose from £122,482 to £154,053 after tax of £166,500 (£132,500).

As usual there is no interim. The dividend last year was raised from 1.0725p net per 20p share to 1.19p.

Alexander Howden sets sights on bigger slice of U.S. market

PROFITABILITY OF Alexander Howden Group is expected to benefit in the current year from rationalisation and further growth of its companies at home and overseas, says Mr. K. V. Grob, the chairman. In addition, interest rates are higher than a year ago.

However, some adverse factors are continuing and it is difficult to judge the likely outcome for 1979, he says.

The company is giving top priority to expanding its share of the U.S. market—the world's principal source of insurance premiums—by organic growth and acquisitions, Mr. Grob states.

The group employs over 600 people in the U.S. and its premium income from the region in 1978 topped $500m. Much of the growth there has come through substantial local development expenditure and the directors intend to maintain this policy.

A breakdown of turnover and profitability shows:

	1978 £000	1977 £000
Turnover		
Broking & company agencies	44,827	36,960
Lloyd's agencies	4,295	3,411
Earned in		
Sterling	16,445	14,343
U.S. dollars	22,486	15,558
Canadian dollars	938	1,085
Other currencies	9,253	8,387
Premium income		
UK insurance	15,025	21,404
Overseas insurance	22,019	19,766
Trading profit	20,766	21,291
Lloyd's	3,835	3,193
Broking & company agencies	15,828	19,824
UK insurance	2,280	2,227
Unallocated exps.	2,285	5,629
Overseas insurance	1,210	1,876

Out of turnover of £49.12m (£40.37m) the group's Lloyd's agencies, whose figures are published separately for the first time, contributed £4.3m, against £3.41m. Last year trading profit from these agencies also improved from £3.19m to £3.94m, while the surplus from broking and company agencies was down £4m at £15.63m.

Group pre-tax profit in 1979 fell from £20.41m to £17.73m on turnover of £86.48m (£81.54m), and the net dividend is stepped up to 7p (5.59p)—as reported March 30.

On a current cost basis the surplus is cut to £15.47m (£19.77m) after extra depreciation of £0.32m (£0.2m) and a charge from holding net monetary assets of £1.94m (£1.39m).

Working capital at year end was up £24.46m (£11.19m) and fixed assets stood higher at £12.91m, against £9.53m. Cash amounted to £78.21m (£73.36m). Bank loans and overdrafts were ahead from £1.98m to £4.09m.

The average number of employees was slightly greater during the year at 2,870 compared with 2,804 and their total remuneration amounted to £13.09m (£10.73m). The pay of the highest paid director was sharply up from £45,819 to £143,483 and the chairman received £50,178 (£45,819).

Meeting, Great Eastern Hotel, on April 26 at noon.

Underwriting loss for Cornhill

The premium income in the non-life branch of Cornhill Insurance, a member of the Thomas Tilling Group, rose by 17 per cent in 1978 to almost £90m, reflecting real growth and an improvement in the share of the UK market. But underwriting conditions turned out to be more difficult than anticipated and a loss of £1.25m was recorded against a profit in 1977 of £381,000.

Investment income advanced by more than £2m to £9.35m and pre-tax profits amounted to £8.16m against £7.75m in 1977. Dividend payments took £2.4m, compared with £1.6m.

In the UK, a substantial increase in the number and cost of claims resulted in a small loss on the motor account. The household side remained a problem area, although progress had been made in getting more adequate rating levels. Other accounts grew satisfactory and provided useful underwriting profits.

Profits fell on overseas accounts with underwriting losses in Canada, Australia and New Zealand; however, profits were achieved in Germany and Norway. In marine and aviation there was a loss of £125,000, following continuing problems of overcapacity and pressure on rates.

Life business was successful with growth in regular premium business and sales of single premium bonds remaining at a high level. Premium income was slightly higher at £7.75m and investment income rose by more than 10 per cent to £3.06m. The life and annuity fund stood at £39.6m at the end of 1978 against £34.8m at the beginning.

Yearlings fall to $10\frac{3}{4}\%$

The coupon rate on this week's batch of local authority yearling bonds has dropped from $11\frac{1}{4}$ per cent to $10\frac{3}{4}$ per cent—the lowest level for six months. The bonds, which are issued at par, are dated April 9, 1980.

The issues are: Highland Regional Council (£1m), Lochaber District Council (£0.25m), Roxburgh District Council (£0.25m), Medina Borough Council (£0.25m), City of Manchester (£1m), Metropolitan Borough of Sandwell (£1.5m); Strathclyde Regional Council (£0.75m), Cumnock and Doon Valley District Council (£0.5m), Dartford District Council (£0.5m), West Yorkshire Passenger Transport Executive (£0.5m); Allerdale District Council (£0.25m), London Borough of Bexley (£1m), London Borough of Wandsworth (£0.5m), Merseyside County Council (£0.5m), South Staffordshire District Council (£0.5m) and Royal Borough of Kensington and Chelsea (£0.5m), Ashfield District Council (£0.5m), Metropolitan Borough of Wigan (£0.5m), Vale of Glamorgan Borough Council (£0.25m), Hertsmere Borough Council (£0.25m), Amber Valley District Council (£0.75m) and Three Rivers District Council (£0.25m).

East Hertfordshire District Council, Braintree District Council and Breckland District Council are raising £0.5m each through the issue of 12 per cent bonds due on March 30, 1983, while Hartlepool Borough Council and Boston Borough Council are issuing £0.75m and £0.25m respectively $12\frac{1}{4}$ per cent bonds due on April 4, 1984. All are issued at par.

GALLAHER 1978

Statement by the Chairman, Mr Hume Stewart-Moore

Trading Results – Year to 31st December, 1978

Group sales rose by 8% and all divisions except overseas tobacco showed increases. Group profit before interest rose by 2.2%, but there was a substantially lower interest charge for the year and group profit before tax increased by 8.3%.

The pre-interest profits of the domestic tobacco business showed a substantial rise over 1977. Profits in this division had no growth over the previous five years as preparations were being made for the new tobacco taxation regime introduced at the beginning of 1978. Renewal of the growth of profits in the division is therefore welcome.

Tobacco – Domestic

The U.K. cigarette market was static in 1978, and the share of the market held by our brands remained stable. The king size market increased from about a quarter to a half of the total market, and there were significant increases in the sale of both BENSON & HEDGES SPECIAL FILTER, now the largest selling U.K. brand, and in SILK CUT KING SIZE. Our SILK CUT brands continue to dominate the low tar sector of the U.K. market of which they currently account for half the volume.

Total sales of pipe and hand rolling tobaccos were rather less than in 1977, but CONDOR and BENSON & HEDGES MELLOW VIRGINIA continued to hold their strong market share; and there were best ever sales of both CLAN and HOLLAND HOUSE from NIEMEYER. OLD HOLBORN, our leading hand rolling brand, achieved a small increase in market share.

The market for home-manufactured cigars increased in 1978 as against a slight decrease during the previous year, and sales of our own cigar brands were ahead of the market increase. HAMLET, BENSON & HEDGES PANATELLAS and MANIKIN all sold well, as did MEDALLION and KING SIX, our larger cigars.

We had been led to understand that the changes in duty would take place over three phases. In the event, one of the phases was eliminated. This posed additional problems for our production division since they had to meet a demand for smaller size brands up to the end of December 1977, and then immediately cope with the new demand for king size brands created by the change in the duty system. It is to their credit that at no time was there a shortage of either our smaller size or king size brands. Our sales and distribution divisions had to grapple with similar problems, but as a result of their efforts the requirements of our retail and wholesale customers were met in full.

Tobacco – Overseas

For the seventh successive year our business in the Irish Republic increased its sales in every sector, and profit was significantly better than for the previous year. The Industry in the Irish Republic is currently threatened with legislation which we do not believe to be in the true interests of the public. It is likely to hamper competition without affecting the total consumption of cigarettes. However, we do not believe it is likely to damage our prospects in Ireland.

Our export business continued to make encouraging progress, particularly the SILK CUT brands. OLD HOLBORN also made good progress in a number of overseas markets. On the other hand 1978 was a disappointing year for NIEMEYER and RITMEESTER.

Engineering

Last year I commented on a modest improvement in the profits of our engineering companies and on the adverse effect of the strengthening of sterling against foreign currencies as far as our export business was concerned. But for the influence of exchange factors on overseas earnings there would again have been a modest increase in total engineering profits for 1978. In the event there were satisfactory performances by the MONO GROUP and by our Italian subsidiaries; but these were more than offset by the results from SAUNDERS VALVE, where trading was adversely affected by re-organisation and low productivity.

Optical

In the U.K., the DOLLOND & AITCHISON GROUP again achieved higher profits, turnover and volume. In Italy and the Netherlands, trading conditions were difficult throughout the year, and despite increased sales profits were down. However, our overseas optical companies report improved trading for the beginning of 1979, particularly in Italy.

The current year started with an investigation by the Price Commission of our retail and prescription work companies in the U.K.; with consequent frozen prices.

Retailing and Wholesaling

The FORBUOYS chain of retail confectionery, tobacco and newsagents' shops has now increased the number of its branches to 430, and has again made good progress despite continual disruption of newspaper supplies. Our wholesaling companies experienced intensely competitive conditions in the food trade, and profits overall dropped sharply as a result. However, some measure of recovery is now being seen.

People

There were a number of senior management changes during the year. Sir John Hogg retired from the Gallaher board at the end of the year. He had been a director since 1946 and deputy chairman since 1964. His wide knowledge of business and his interest in the welfare of the Gallaher group made him an ideal deputy chairman and I would like to take this opportunity of thanking him for all he has done for us.

Mr. S. G. Cameron and Mr. R. T. Harris became deputy chairmen on 12th June, 1978, Mr. Harris relinquishing the chairmanship of the DOLLOND & AITCHISON GROUP. His main responsibility will be for the non-tobacco businesses whilst Mr. Cameron will continue to act as chief executive of our tobacco businesses, both at home and overseas.

Mr. H. E. Martin-Leake, chairman of the MONO GROUP, was appointed an executive director on 1st January, 1979. He has served as a member of our group executive committee for some time and will contribute to our day-to-day affairs from a wide background of practical experience in engineering, both at home and overseas.

During the course of the year, Mr. Theo. E. Niemeijer, who had been chairman of the family company for many years, decided to retire. We are grateful to him for his help and guidance, especially since NIEMEYER became a wholly owned subsidiary of Gallaher.

Outlook

It is not easy in the present political, economic and industrial circumstances to forecast what lies immediately ahead for the Gallaher group in 1979. The management changes we have made, and which I have mentioned, are an indication of our determination to continue to develop our non-tobacco interests, both at home and overseas. The tobacco business will remain strong at home, although with limited growth; but we shall look for growth from our overseas tobacco interests.

At the beginning of 1978 our options in the home cigarette market seemed to be either to buy market share by expensive price cutting or to aim for increased profit whilst accepting a lower market share. In the event, our market share was held and profits were increased by 35%. This is a measure of the skill and determination of those who manage our domestic tobacco business.

In a climate in which pay has for so long been artifically restricted we are encouraged by the results achieved in our tobacco business by investment in production plant and machinery with subsequent higher productivity. This has enabled us to hold costs and reward our people with increased pay. It is my view that we have by no means reached the limit of what can be achieved in this direction. For the future I see this route as the way forward to fulfil the rightful expectations of all.

SUMMARY OF RESULTS 1978

£000s	1978	1977
Group Sales	1,523,300	1,410,200
Profit before Interest	55,000	53,800
Profit before Taxation	51,000	47,100
Profit after Taxation	24,800	25,200
Net Assets	323,300	360,500

SUMMARY OF ACTIVITIES

£000s	Sales 1978	Sales 1977	Profit/(Loss) 1978	Profit/(Loss) 1977
Tobacco – Domestic	1,035,900	958,600	39,400	29,200
– Overseas	170,300	173,900	3,500	9,100
Engineering	59,300	57,200	3,900	4,500
Optical and Associated Activities	34,900	31,100	6,300	5,900
Distribution	222,900	189,400	2,400	3,900
Group Financing	—	—	(500)	1,200
	1,523,300	1,410,200	55,000	53,800

U.S. Treasury raises $16bn

BY DAVID LASCELLES IN NEW YORK

WITH THE Federal debt ceiling finally raised to $830bn the night before, after delays in Congress, the Treasury hurried yesterday to raise $27bn in cash to keep itself in business.

In three quick bill issues between 10.30 am and 1.30 am, it raised $16bn. Of this, $10m was in cash management bills, with $3bn each of 13 and 26 week bills which should have been auctioned on Monday as part of the regular schedule.

The financing continues today with the sale of $3.3bn of one year bills originally scheduled for last Wednesday. Bond market sources were predicting a discount of 9.39 per cent on this issue.

On Thursday, the Treasury will sell $3bn of cash management bills and $2.9bn of two-year notes.

The financing rush ends next Tuesday with the sale of $1.5bn of 15-year notes, which is effectively a reopening of the earlier issue of 9 per cent of 1994.

This scramble, which market sources said was unprecedented, was caused by Congress's delays in raising the Federal debt ceiling from $798bn, a figure which the Treasury reached at the beginning of last week. Although raising the debt ceiling has become an annual ritual, the debate was exceptionally lively this year because of mounting concern about the Federal deficit.

Although the resulting delay in Treasury financings caused market distortions, these should iron themselves in the long run.

A trader at Morgan Stanley, the investment bank, commented yesterday that the market had now fully discounted the heavy Treasury schedule. However, observers believe the rush could tighten up the Fed funds market because of investors' sudden need for large volumes of cash.

In another development yesterday, the market saw the first electric utility issue since the nuclear accident in Pennsylvania. This was Virginia Electric and Power Company's $100m of single "A" bonds which was won by a group of underwriters led by Morgan Stanley. They bid 98.539 with 10¼ per cent coupons, and publicly re-offered the issue at 99.538 to yield 10.30 per cent in 30 years.

This yield is somewhat higher than the 10.1 per cent on comparable issues quoted by Salomon Brothers last week, and is evidence of the depressing effect of the accident on nuclear power-related securities.

Weston pegs Bay terms

BY JIM RUSK IN TORONTO

GEORGE WESTON of Toronto is sticking to its bid of C$40 a share for control of Hudson's Bay Company, of Winnipeg, even though the Thomson family announced on Monday that it was raising its offer. Mr. Mark Hoffman, vice-president of finance of Weston, said that the company had decided not to increase its bid or alter its terms, as "nothing was needed to make our offer better."

The Thomson bid was originally C$31 a share cash for 51 per cent of the Bay.

Last week, Weston countered with a bid of C$40 a share, with the shareholder being offered cash, preferred shares, or a combination thereof. On Monday, the Thomson family made an unconditional offer of C$35 a share cash for 60 per cent of the Bay.

The Thomson bid expires next Monday while the Weston offer is only being mailed to shareholders today.

Phillips Petroleum outlook

BY OUR FINANCIAL STAFF

PHILLIPS PETROLEUM expects its first quarter to be as good as last year's because of the level of prices for crude oil and petroleum and an improvement in chemical markets, according to Mr. William C. Douce, president and chief operating officer.

In the 1978 first quarter, Phillips turned in a strong performance with net income of $165m or $1.07 a share on sales revenues of $1.7bn. Mr. Douce said that the company's results would not suffer significantly from the loss of the revenues of Pacific Petroleum, in which Phillips sold its 48 per cent stake for $753m to the Canadian state oil company Petro-Canada last November.

BAYER IN THE U.S.

A long way from Wuppertal

Europe's second biggest chemicals group is no newscomer to the U.S. But Bayer's hopes of further expension are reinforced by plans for substantial capital investment there, writes JOHN WICKS, recently in New York

A 2-PER CENT share of the huge U.S. market is the declared aim of the German Bayer group, Europe's second biggest chemical concern. With this ambitious target in view, at least $1m worth of capital expenditure is earmarked for the next five years, Bayer AG chairman, Professor Dr. Herbert Gruenewald, told a gathering of journalists in New York last month. The group's American presence, he said, should in time start to measure up to its position on the European market.

In fact, Bayer is far from being a newcomer to the United States. In 1865, only two years after the original company was set up in Wuppertal with a single employee, it bought a stake in Amercia's first aniline dye plant in Albany.

By the time the First World War broke out, the Bayer cross was a well known trademark in the States. Then the name and the trademark were confiscated under Alien Property Rules and subsequently passed on to the U.S. company, Sterling Drug, which still has the sole right to sell its "Bayer Aspirin" under this name in the United States and Canada. The German undertaking had lost its most important assets in the important American market.

Real expansion in the States began after World War II. In 1953, Bayer purchased a one-third stake in the Kansas City agro-chemicals and veterinary products firm, Chemagro. In the following year the German group set up Mobay Chemical company in Pittsburgh as a joint venture with Monsanto to introduce the recently invented polyurethane foams to the U.S. market. The Chemagro hareholding was raised to 50 per cent in 1956 and in 1957 Bayer bought up the dyestuffs manufacturer Verona, of Union, New Jersey.

In 1967 it acquired the Monsanto stake in Mobay and by 1971 it had also become sole owner of Chemagro.

The past few years have seen another burst of activity in the sphere of U.S. acquisitions. The newly formed Bayer holding company, Rhinechem Corporation, made a successful bid in early 1974 for the Californian pharmaceutical and veterinary products manufacturer, Cutter Laboratories, bought the Haledon, New Jersey pigments producer Harmon Colors from Allied Chemical in 1977 and last year added to group membership the Elkhart, Indiana-based Miles Laboratories—best known on consumer markets as the maker of "Alka-Seltzer."

Today, Bayer has total U.S. assets of about $1.68bn, its turnover in the States having last year jumped to reach some $2.1bn, at end of year exchange rates.

With about 80 per cent of turnover originating from local production, Bayer has already made the 1 per cent market share level. A doubling of this percentage—which would put Bayer among the really big U.S. suppliers—is hoped for in the next five to ten years.

Direct investment by the German parent is, however, equal to only the $140m capital of the Curaco-based Bayer International Finance NV, the direct owner of Rhinechem.

The next $1bn worth of capital expenditure is to be concentrated on Bayer's three major U.S. companies. Mobay, whose annual sales in 1978 of $779.5m made it the group's biggest foreign subsidiary, will invest something like $300m this year and next alone, most of this to go on new capacities for pigments, the foam base MDI and agro-chemicals.

In the coming five years, the $537m sales company Miles—whose acquisition received final Federal Trade Commission blessing about a fortnight ago—has "identifiable" investments of $80m, including new capacities for citric acid, pharmaceuticals and laboratory materials. Cutter, whose 1978 turnover was $260.7m, is planning with a view to repeat the past five years' 150 per cent growth in fixed assets during the period between now and 1983, with expansion to be particularly in the field of hospital products and veterinary medicine.

Despite the very considerable investment programme, Bayer stresses that U.S. growth will not be at the expense of that in the Federal Republic, thus attempting to scotch certain apprehensions back home. In the long term, about two-thirds of group investments will continue to be made in Germany. Nor will jobs be "exported" to America, since products from any German units which might theoretically have been built with the same funds would not have been saleable at home or on the U.S. market. Indeed, German workplaces are said to be secured in the foreseeable future by the export to the U.S. plants of necessary starting and intermediate products — quite apart from the licence fees being paid into the Leverkusen kitty.

America has a firm priority after Germany, though. As Professor Gruenewald says, Bayer has grown used to getting along without its name and its cross in North America. "There would be no reason to buy it back, even if we could."

Nabisco forecasts higher first quarter earnings

NEW YORK — Nabisco, the biscuits and food group, expects first quarter earnings to increase by about 7 to 9 per cent over comparable 1978 earnings, according to Mr. Robert M. Schaeberle, chairman. In the 1978 first quarter, the company earned $20.9m or $1.30 a share.

Mr. Schaeberle also said Nabisco "looks forward to a record year in 1979"—earnings totalled $101.6m or $3.16 a share in 1978—adding: "We are interested in acquisitions and the initiation of new venture activities."

Mr. C. Richard Owens, senior vice-president and chief financial officer, said Nabisco had completed a new $100m credit agreement with 11 U.S. and foreign banks. The funds will be available on a fully revolving basis until March 1, 1984, he declared, adding that the company has no borrowings under the new agreement at this time.

Nabisco expects 1979 capital expenditures to total $80m, against $67m in 1978.

U.S. biscuit operations had made an "excellent start" in the first quarter though the international division had a somewhat slower start due primarily to adverse weather in Europe.

The company does not anticipate further biscuit price increases this year as raw material costs appear favourable. Biscuit prices were raised about 6 per cent in February. But the company may increase prices further on cereal this year, after an increase of about 3 per cent in the first quarter.

Mr. Owens said the company has a "very good chance" of achieving its goal in 1979 of an annual consolidated sales growth of 2 to 3 per cent above the inflation rate. He sees no reason that 1979 should not produce the same result as last year with regard to foreign exchange losses. The company had a net foreign exchange loss of $2m in 1978.

Meanwhile, Mr. Owens said it is not the company's intention to use the $100m five-year credit agreement for a possible acquisition, although he acknowledged that it was a possibility. The company plans to use the credit purely as a standby line for use internally.

Reuter

Midland Bank signs China loan

By Francis Ghilès

MIDLAND BANK signed an agreement yesterday to provide a $100m five-year loan to the Bank of China. The proceeds are not tied to any specific project nor to imports by China from the West. No other terms are disclosed. This loan is in the form of a bullet: it will be repaid in one lump sum at the end of five years.

A $400m deposit facility guaranteed by the UK Exports Credits Guarantee Department was concluded last December between Midland Bank and the Bank of China.

This signature follows that of a $175m five-year loan for Bank of China last Friday by Midland and International Banks, and the awarding to Union de Banques Arabes et Francaises of a mandate for a $500m 3½-year loan which carries a spread over the interbank rate of ½ per cent.

Although the banks involved in loans to China are unwilling to disclose further information, it is understood that China has refused to waive sovereign immunity: that is, it has refused to submit to foreign jurisdiction in the event of a dispute with the lending banks.

Sharp gain at Corning Glass

NEW YORK — Corning Glass Works has mad a strong start to the current year with first quarter earnings rising from $22.02m or $1.24 a share to $33.99m, equal to $1.92 a share. The company attributes the rise to higher sales — up from $279.9m to $330.1m—higher productivity and a $3.8m gain on the sale of a paper packaging plant.

The company considers it too early to predict on the outcome for the rest of the year.

Agencies.

Recovery at Chessie

CLEVELAND — Chessie, largest coal haulier in the U.S., has made a sharp recovery with first quarter earnings totalling $8.3m, equal to 42 cents a share. In the corresponding quarter last year the group sustained a loss of $67m, equal to $3.42 a share, due to the United Mineworkers' strike

Agencies

RESULTS IN BRIEF

Parker Drilling income boost

NEW YORK—The Oklahoma-based drilling services company Parker Drilling experienced a sharp upturn in net income for the six months ended February 28. Net income rose from $12.56m to $18.36m, on sales revenues up from $109.5m to $148.1m. Per share earnings moved ahead from a fully diluted $1.11 to $1.41.

Fourth quarter earnings of J. C. Penney Financial Corporation, a subsidiary of the retailer J. C. Penney, almost doubled from $7.4m to $14.3m. For the full year, the concern earned $43m against $22.8m.

Annual earnings of Levitz Furniture jumped from $2.81 to $3.84 a share. Saxon Industries, paper products manufacturers, also had a good year, with net profits advancing from 59 cents to 92 cents a share. Rite-Aid, retail druggists, lifted fourth quarter earnings from 60 cents to 76 cents a share.

American Hoist and Derrick has started the current year firmly with net earnings for the first quarter rising from 39 cents to 66 cents a share.

Among utilities, Detroit Edison boosted yearly net earnings from $1.80 to $2.05 a share, but Oklahoma Natural Gas earnings fell from $3.49 to $3.41 a share, as did those of Public Service Company of Indiana, from $3.24 to $3.08 a share.

Agencies.

EUROBONDS

SDR50m issue for Finland

BY OUR EUROMARKETS STAFF

THE FIRST ever bond for a sovereign borrower denominated in Special Drawing Rights (SDRs) was launched for the Republic of Finland yesterday by Credit Suisse First Boston. The amount of this issue is SDR 50m, and indicated terms include a bullet maturity of five years and a coupon of 8¾ per cent.

The last time an SDR denominated bond was arranged was in November, 1973, when the same lead manager arranged a SDR 25m issue for the Swedish Investment Bank. Prior to that, just three SDR issues were floated in 1975, for Alusuisse, the Swedish Investment Bank and Electricite de France.

The Swedish Investment Bank SDR issue which matures in 1982 was trading at 99½-100½ yesterday while the SDR bond for the same borrower which matures in 1985 was quoted at 99-100.

Prices moved up by a further ½ of a point in the dollar sector of the Eurobond markets yesterday. In the sterling sector, prices moved up in the morning but came down again later in the day. In the Deutsche Mark sector, prices were firmer yesterday than on Monday, but trading volume was described by dealers as thin.

In the Swiss franc sector, prices of straight bonds have fallen by an average of two points since the beginning of the week. Bonds of more than 10 years maturity have been hardest hit. The recent public issue for Australia was quoted at 95. The freeze on new public issues agreed among the three big Swiss banks nearly two weeks ago does not so far appear to have had any effect.

Meanwhile, Swiss banks are continuing to arrange convertible issues in the form of private placements for Japanese companies: Banque de Paris et des Pays Bas (Suisse) has arranged a SwFr 30m convertible for Nichiei with a maturity of five years and nine months. The borrower is paying a coupon of 3½ per cent and the final price is par.

Banca del Gottardo is arranging a SwFr 25m convertible for Makino Milling, the final terms of which will be fixed next week. Swiss Volksbank is arranging a SwFr 30m convertible for Tokyo Hotel Chain. The maturity of this convertible will be five years and eight months.

Eurofima is arranging a Y10bn seven year bond through Daiwa. The indicated coupon is 6½ per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on April 3

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bayer Int. F. XW 7¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dow Chem. O/S	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Export Dv. Cpn.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Export Dv. Cpn.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eksportfinans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GTE Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gould Int. Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hospital	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hudson Bay Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ital Finance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
J. C. Penney	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Manitoba	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Brunswick	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Newfoundland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norsk Hydro	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Hydro	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Redland Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sears Roebuck	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Argentina	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Banco Desarrollo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bankamerica	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bq. Ext. Algerie	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brazil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ch. Manhttn.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commerzbank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copenhagen City	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Council of Europe	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eletrobras	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eurofima	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hitachi Shpb.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Indonesia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kobe, City of	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mogal Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mitsubishi	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Steel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nordic Inv. Bk.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norges Komm.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norges Komm.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occidental	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Petroleo Brazil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ricoh	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Statoil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Statoil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UDS Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Union Bank Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Venezuela	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amer. Exp. Int.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asian Dev. Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brazil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Chase Manhattan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Council of Europe	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bankers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BNDE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Euratom	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
F. L. Smidth	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GZB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Heron	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Malaysia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nortes Komm.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oy Nokia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Philippines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sandvik	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Voest-Alpine	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

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B and M declares itself bankrupt

By Andrew Fisher in Frankfurt

WEST GERMAN construction company, Beton-und-Monierbau, is to declare itself bankrupt. The news of the apparent failure of rescue talks among major shareholders, which include the Dutch industrial conglomerate Ogem and Westdeutsche Landesbank, came late last night.

Beton-und-Monierbau disclosed a loss for 1978 of DM 30m ($16m) which was DM 5m up on earlier estimates and compared with a modest deficit in 1977 and profits of DM 6m in 1976. The latest accounts were also accompanied by auditors' requests that the company write-off DM 200m from the value of contracts in Algeria and Nigeria.

The largest shareholder is Ogem, which owns 35 per cent of the shares and controls a quarter of the total voting rights. Dr. Juergen Amann, a Cologne businessman, has a further 24 per cent of the voting shares, with West Deutsche Landesbank owning about 10 per cent.

Beton-und Monierbau has been active in Algeria since the early 1970s and in Nigeria since the last decade. Its problems have mainly been caused by the steady advance of the Deutsche Mark after the conclusion of fixed-price contracts. The write-offs cover various projects and are not confined to one or two major ones.

In Algeria, the company's main business has been in industrial construction, while its Nigerian activities have also included road building. It is now engaged in contracts in Saudi Arabia and Iran, but says it has not experienced major difficulties in these countries.

French state to tap bond market

By Terry Dodsworth in Paris

THE FRENCH Government's determination to continue to finance as much as possible of its Budget deficit through a series of bond offerings was underlined yesterday with the announcement of a new FFr 3bn ($700,000) issue. This is the first Government loan this year and will carry a coupon of 9 per cent, showing a further easing of market rates since the last loan in December of 9.45 per cent. The issue carries a 15-year term.

The Government has forecast a Budget deficit in 1979 of about FFr 15bn ($3.5bn), as compared with the FFr 35bn last year. Although there is considerable scepticism in financial markets that this objective can be achieved—the original target last year was about FFr 10bn—the Government is now clearly set on a similar programme to last year, when it raised a total of FFr 13.5bn in a series of four issues.

The Budget Ministry has also said that there will be further offerings of Treasury bonds this year in the effort to restrain the money supply. A strong warning that "greater discipline" must be observed in monetary policy was given recently in the annual report of the Banque de France.

● In Holland, the Dutch Government has unveiled its latest bond market funding, writes our financial staff. This is to be a ten-year offering with a coupon of 8½ per cent. Subscriptions have to be in by next Tuesday at the latest, and in present markets tenders of at least 100.5 will be needed.

The issue will be the third by the state this year. Last month's offering raised Fls 700m over 15 years on a coupon of 8½ per cent.

Profits at Olivetti plunge by 60%

BY PAUL BETTS IN ROME

OLIVETTI SpA, the parent company of the Olivetti mechanical engineering and electronics group, saw its profits last year decline by 60 per cent to L2.1bn ($2.49m) from L5.3bn, despite capital gains of some L21.9bn after the sale last November of several assets.

The Ivrea-based company, which is scheduled to hold its annual shareholders meeting next week, confirmed these figures yesterday. And as a result Olivetti will not pay a dividend for the fourth consecutive year.

The parent company's net sales totalled L718.5bn ($853,325m) last year representing a 24.9 per cent increase over 1977. Consolidated turnover rose by 14 per cent on a year-on-year basis to L1,555.8bn. Of the parent company's net sales, some L310.7bn were accounted for by exports which rose by 21.5 per cent over 1977.

Olivetti also confirmed that the parent company's investments last year totalled L113.4bn. The company reported a marked improvement in its financial position after a series of operations to convert short-term debt into medium-term.

During the past 12 months, Olivetti obtained medium-term loans totalling L247.5bn enabling the company to effect a major restructuring of its debt position.

Medium-term debts now represented as much as 98.9 per cent in 1977, and as a result short-term debts had been reduced to L400m compared to L117.7bn at the end of 1977.

The parent company's total indebtedness at the end of last year increased from L359.4bn in December, 1977, to L450.2bn. Financial charges, including interest payments on debts, increased from L60.2bn in 1977 to L63.2bn last year.

Similar financial operations have been made at the Olivetti group, where net borrowings rose to L935.8bn from L912bn. Some L446bn of short-term debts have been consolidated into the medium-term. Of these, some L195bn involved foreign operations.

Medium and long-term debts now accounted for 88.4 per cent of group net borrowings compared to 56.5 per cent a year earlier.

At the same time, the parent company's recent capital increase from L100bn to L200bn, involving a combined rights issue and convertible bond issue, is understood to have been fully subscribed.

Creusot-Loire deficit doubles

BY DAVID WHITE IN PARIS

CREUSOT-LOIRE, the French engineering, steel and nuclear concern, saw its parent company net loss more than double last year to FFr 333m ($78m), but said it hoped to reverse the trend this year and break even from 1980 onwards.

The loss, which compared with one of FFr 155m last year and neither profit nor loss in 1976, was after a FFr 149m depreciation charge.

The company, controlled by the Franco-Belgian Empain-Schneider group, proposes to omit dividend payments for the second year running.

It said the loss was partly due to the cost of reorganising some of its metalworking subsidiaries, which had been badly hit by the steel crisis.

"Very severe" measures were under way to bring about a better financial structure, the company said, and these were expected to start bearing fruit this year despite a mediocre economic situation.

Operating losses from its steel and metalworking activities had been somewhat reduced, while its mechanical division showed satisfactory profitability.

Parent company turnover, re-adjusted to take account of the transfer of some activities to subsidiaries, rose 5 per cent last year to FFr 6bn ($1.4bn). Exports increased at the same rate to FFr 3.54bn.

Another part of the Empain-Schneider empire, the electrical engineering company Merlin-Gerin, improved its results slightly with a net profit of FFr 35m last year after FFr 31m in 1977, and proposed to repeat the same FFr 12 net dividend. This was in line with the company's forecasts at the time of a recent FFr 52m share issue.

● Societe Intertechnique, makers of electrical and electronic equipment for the aerospace industry, proposes a one-for-four scrip issue with the new shares eligible for the 1978 dividend, which is to be FFr 12 net.

Intertechnique reports a net profit of FFr 12.1m compared with FFr 8.5m. Sales amounted to FFr 347.3m, up from FFr 303.1m a year before. Net consolidated earnings came to FFr 8.6m compared with FFr 7.8m.

Intertechnique is also seeking shareholder approval for another capital increase, this time of FFr 30m, through an issue of cash shares on a one-for-five basis.

Losses continue at Brostroem

BY VICTOR KAYFETZ IN STOCKHOLM

BROSTROEM, the Swedish shipping group, reports a 1978 pre-tax loss of SKr 227m ($52m), against a 1977 loss of SKr 157m. The board recommends passing the dividend for the fifth consecutive year.

The group reduced its fleet and disposed of part of its operations abroad during 1978, with the result that turnover for the year was SKr 1.98bn ($455m), down from SKr 2bn in 1977.

As predicted in the eight-month report, operating losses were higher than the SKr 48m recorded for 1977, reaching SKr 80m for last year. Net financial costs rose from SKr 112m to SKr 149m due to increased borrowing to finance the renewal of the fleet. But net currency losses were only SKr 14m, compared with SKr 48m in 1977.

Sales of ships during 1978 were "carried out as planned." Due to depressed prices these sales resulted in losses of SKr 144m, against 1977 profits of SKr 10m for disposals. The group's loss after extraordinary items was SKr 462m, compared with SKr 194m.

Following allocations including a transfer of SKr 343m from reserves, Brostroem reports a net loss after tax of SKr 10m, against SKr 79m.

The preliminary report predicts that there will be an operating profit for the group in 1979. This is due to an expected operating profit from tramp traffic as well as substantial improvements expected in the earnings of Brostroem's liner and marine services divisions. However, the continuing heavy burden of interest payments will result in a group pre-tax loss this year, the report concludes.

* * *

Swedish pulp, paper and board group Papyrus suggests that total earnings for 1979 can be improved compared with 1978. Group pre-tax profit for the last eight months of 1978 was SKr 43.3m ($10m) against SKr 49m for the preceding 13 months. From this year, Papyrus will keep its accounts by the calendar year.

The group qualifies its forecast for 1979 by pointing to the potential dangers of unfavourable currency translations, also singling out profitability problems in its cardboard and particle board sectors due to overcapacity in these specialities.

But Papyrus expects a continued satisfactory order situation during 1979 for chemical pulp, fine paper, newsprint and sawn timber as well as higher capacity utilisation than previously in these areas.

Subsidiaries lift turnover for Oce group

BY OUR AMSTERDAM CORRESPONDENT

THE DUTCH copier group, Oce-van der Grinten, is considering further acquisitions abroad despite the fact that it is still absorbing the UK Ozalid concern. Mr. Jan Kaptein, chairman, said that without wishing to fuel speculation the company was "open for" further acquisitions, particularly in the U.S.

Oce managed to increase profits at a faster rate than turnover in 1978 despite the efforts which had to be put into integrating Ozalid. The British group's contribution to Oce's results is still modest — it accounted for Fl 5-10m of the net group profit of Fl 41.3m ($20.6m) in 1978 — but it is on the right path, Mr. Kaptein said.

The operating results of the Canadian company, Hughes Owens, are improving after the considerable losses of recent years. Oce is merging its activities with the former Ozalid companies in Europe, notably Oce-Ingut and Copytrade in Sweden and four subsidiaries in France.

The Dutch company which makes 90 per cent of its turnover outside Holland, is also expanding its products range, the board said. Following the recent introduction of the Oce 1800, a high-volume machine producing 60 plain paper copies a minute, it plans to launch another plain paper copier for office use this autumn.

It is currently considering whether to licence its new 1800 copier to a U.S. company or whether to offer it directly in the U.S. The office equipment company Pitney Bowes, which has the licence agreement for the 1700 machine has said it is not interested in acquiring rights to the 1800. North American sales of the Oce group are around Fl 100m.

The 6 per cent rise in 1978 sales to Fl 1.25bn ($625m) was adversely affected by the shut-down of some activities because of the re-organisation in the UK and to currency factors. The rise in turnover would have been 12 per cent without currency changes. Net profits rose 9.5 per cent to Fl 41.3m last year. The redemption of a large number of Eurocurrency loans which were partly responsible for Ozalid's difficulties before take-over led to an extraordinary profit of Fl 2m.

ABN steps up overseas expansion

By Charles Bachelor in Amsterdam

ALGEMENE BANK Nederland (ABN) intends to expand its branch networks in West Germany, the U.S. and Canada as part of its planned concentration of Europe and North America for future growth abroad. Competition is growing fierce within Holland, said chairman Dr. Andre Batenburg at yesterday's annual press conference.

In detail, ABN is now "looking around" in Germany for opportunities: in Canada it hopes to expand the number of offices from two to five while, once approval has been given for the acquisition of Lasalle National Bank of Chicago, ABN will consider more branches in the U.S. It also has permission from the authorities to open five branches in Spain starting in 1980, the first in Madrid.

ABN is not neglecting the traditional areas of its foreign operations—the Middle and Far East and Central and South America—and it plans two more Saudi Arabian offices in Jubail and Mecca. The bank's foreign branches and affiliates contributed 39 per cent of gross profits in 1978 but accounted for only 29 per cent of the balance sheet total.

In Holland the five major bank groups—the four large commercial banks and the Post Office banking services—are all intent on expanding rather than on simply maintaining their market share. This competition will increase further and has already led to a narrowing of interest margins, Dr. Batenburg said.

In 1978 the bank's interest margin fell by 5 per cent to a rate of just over 3 per cent. For 1979 ABN expects profits to increase further and it aims to keep profit per share on at least the same level as last year, despite an increase in capital.

It earlier announced a 15 per cent rise in net profit to Fl 271.2m ($135.6m) in 1978 on a balance sheet 20 per cent larger at Fl 76.2bn ($38.1bn).

Dutch paper group ahead

By Our Amsterdam Correspondent

PROFITS of the diversified Dutch paper and board group Buehrmann-Tetterode (BT) continued to suffer in 1978 from losses at hte Belgian subsidiary, Pameteries de Mont St. Guibert.

Net profit rose 7 per cent to Fl 41.5m ($20.5m) on sales which were 13 per cent higher at Fl 1.77bn ($876m).

Cash flow rose 14 per cent to Fl 25.19 per share, while net profit per share rose 7 per cent to Fl 11.38.

BT said the 1979 result was at the expected level. The rates of increase in profits and sales were little changed on the 1977 level, when profits rose 6 per cent and sales 14 per cent.

Slight drop in Eurofima earnings but payout held

BY JOHN WICKS IN ZURICH

EUROFIMA, THE Basle-based company owned by European railway administrations for the financing of rolling stock, is to pay an unchanged dividend of 4 per cent for 1978 from slightly lower net profits of SwFr 17.6m ($10.35m) compared with SwFr 17.8m for 1977.

Eurofima's balance sheet total expanded by a further 5 per cent to SwFr 4.88bn in 1978 but the volume of financing fell in comparison with the previous year from SwFr 857m to SwFr 694m. This is attributed by the Board to the influence of monetary fluctuations and to the "marked reluctance" of member railways to take up new loans, especially in strong currencies. However, the conditions of financing transactions are reported as having improved considerably with a favourable effect on railways' rolling-stock costs.

In 1978, Eurofima financed the acquisition of 2,585 freight cars, 159 passenger carriages and 140 locomotives and multiple units.

The value of new orders received was lower in 1978 by 2.7 per cent than for the previous year at SwFr 1.12bn. Here, unlike turnover, the figure for lifts and escalators and their repair rose slightly by 0.3 per cent to SwFr 964m, while there was a marked drop of 17.5 per cent in orders for other product lines. Overall order books at the end of 1978 totalled SwFr 955m, or 9.7 per cent less than a year earlier.

● An unchanged dividend of SwFr 12 per share and participation certificate and SwFr 60 per bearer share is recommended for 1978 by Schindler Holding AG, despite a fall in net profits for the year from SwFr 12.92m to SwFr 11.75m ($6.9m). The company is the parent undertaking of the Schindler group, one of the world's leading manufacturers of lifts and escalators.

Due to the appreciation of the Swiss franc, group turnover dropped by 2.5 per cent last year to SwFr 1.11bn ($652.9m). Had exchange rates remained at 1977 levels, sales in Swiss franc terms would have shown a 6.4 per cent increase, according to a letter to shareholders.

The fall in turnover was the result of a drop by 4.5 per cent, to SwFr 915m, in lift and escalator business, sales of other products having risen by 8.3 per cent to SwFr 195m.

BW Bank dividend

Baden-Wuerttembergische Bank (BW Bank) is paying a dividend of DM 9 per DM 50 share on its 1978 results, not DM 18 per share as stated in the issue of March 27.

MODEST 1978 GAIN FOR JARDINE

Better prospect seen after write-offs

BY ANTHONY ROWLEY IN HONG KONG

JARDINE MATHESON and Co., the biggest of the diversified trading and services groups—or "Hongs"—here, has announced attributable after-tax profits of HK$336m (US$67.2m) for the year to December 31.

This shows a modest, 7 per cent gain on the previous year—while earnings per share rose just 5.3 per cent to HK$1.51—and Jardine also disclosed that heavy write-offs were made during the year. However, Mr. David Newbigging, the chairman, said that a resulting rationalisation has made the group stronger.

Mr. Newbigging said that "several major problem areas in the group were eliminated" in 1978. This resulted in losses on termination or sale of HK$77m, mainly related to light industrial operations in Hong Kong.

There were also extraordinary profits in 1978, "well in excess of those anticipated, principally from sales of properties not held for trading purposes." One of Jardine's major sales last year was that of the prime office block, Gammon House in Hong Kong to Hongkong Land for around HK$600m.

The net result was that there were extraordinary profits for Jardine of HK$9.5m after-tax, compared with extraordinary losses of HK$6m in 1977. However, following a review of investments in associated companies, particularly those in natural resources where no dividends have yet been paid, Jardine has made provisions of HK$90m.

The group announced a rise in net assets per share to HK$10.79 in 1978, reflecting a growth in reserves, but also a change in accounting policy so that fixed assets outside Hong Kong are now shown at current rather than historical exchange rates. The boost in net assets, therefore, has to be seen in the context of the recent sharp weakening of the Hong Kong dollar.

A final dividend of HK$ 0.51 a share is recommended, making a total payment for the year of KH$ 0.71—a six per cent rise over the previous year. As usual, dividends are being offered in scrip form with a cash alternative, though with part of the final dividend being paid in cash to all shareholders. The dividends are 2.2 times covered.

Jardine says that its liquidity had improved significantly by the end of last year, while term borrowing had been reduced despite the issue during the year of S$ 39.2m of loan stock to acquire minority shareholdings in Jardine, Matheson (South East Asia).

Mr. Newbigging reported considerable progress in "eliminating or stabilising problems" which had affected Jardine Industries in Hong Kong and Jardine Davies in the Philippines and "substantially improved" results from Rennies Consolidated Holdings in South Africa. Apart from these three subsidiaries, Jardine, Matheson received improved earnings from trading, services, financial and property activities in 1978.

Swire Properties ahead

BY OUR HONG KONG CORRESPONDENT

SWIRE PROPERTIES net attributable profits for the year ended December 31 were HK$162.2m (U.S.$ 32.4m), against HK$99.61m in 1977. The later figure, however, does not include an extraordinary profit of HK$9.8m arising from the sale of an investment property, Swire Properties said.

The board is recommending a final dividend of 20 cents, against the previous 12 cents, making a total of 28 cents (18½ cents) for the year. The company forecast that earnings for 1979 would show a "further improvement, although the outlook is less certain." This caution echoes that expressed last week by Hongkong Land, the biggest of the real-estate groups in Hong Kong and by Cheung Kong, the leading Hong Kong-Chinese owned property group here. Recent sharp rises in interest rates together with other moves to control credit expansion have raised question marks for property groups this year.

Arab Bank profits and assets rise

By Rami G. Khouri in Amman

THE ARAB BANK, the largest commercial bank in the Arab world, based in Amman, has reported a net profit of JD 13m ($41m) for last year, compared with JD 12.2m the previous year.

Gross earnings increased to JD 74.4m, from JD 63m. Some JD 2.75m are being distributed as dividends, or JD 2.5 per share (par value JD 10). The banks shares were traded on the Amman Stock Exchange last week at JD 80.

Email broadens Kelvinator bid

ADELAIDE — Email is to extend an offer to the remaining shareholders in Kelvinator Australia—as soon as practicable, but not before it has had time to consider the full implications of making such a bid.

The disclosure came in a joint statement by Kelvinator, Email and the former contender with Email for control of Kelvinator, Simpson Pope Holdings, after a meeting of respective board representatives here.

It was also stated that Email paid $2.30 each for the 2.96m Kelvinator shares purchased from Simpson Pope last week, which left Email with 50 per cent of Kelvinator's 15.95m 50-cent par issued shares and Simpson Pope with about 14 per cent.

Both announcements represent a reversal of Email's attitude on Monday when it rebuffed Sydney Stock Exchange requests to disclose the price paid for Simpson Pope's shares and to consider making a bid to the remaining shareholders in Kelvinator.

Both Email and Simpson Pope intend to vote in favour of Kelvinator's recently announced one-for-two bonus issue and the doubling of the final dividend to 7½ cents, to make a total of 10 cents (6¼ cents).

Kelvinator announced the bonus issue and higher final dividend as a defensive measure, after Email made its first cash plus share bid for the company, then worth A$1.61 a share.

After Simpson Pope moved into the market, Email withdrew the offer and later proposed a bid for Kelvinator shares at A$2.30 each aimed at purchasing 50 per cent of the company.

This bid was withdrawn after the deal with Simpson Pope, which in turn followed the share market battle which lifted Kelvinator shares to A$2.85 each from around A$1.20 before Email made its first bid.

Kelvinator shares traded here at A$1.70 yesterday, after closing at A$1.75. Reuter

Ecofield buys Wheelock stake

By Our Own Correspondent

WHEELOCK MARDEN has announced that its wholly-owned subsidiary, Australmar Investments Proprietary, has sold 700,000 of the shares it owned in Wheelock Marden Investments (Australia), a company publically quoted in Sydney.

The sale was made to Ecofield Proprietary, which intends to make a cash offer of A$ 0.10 per share for up to 50 per cent of other shareholders' holdings.

Pick 'n Pay earnings up

BY JIM JONES IN JOHANNESBURG

PICK 'N PAY, the South African supermarket chain, has announced a 41.6 per cent turnover increase to R466.8m ($552m) for the year to February 28 from R329.6m in the previous year, and a similar percentage rise in pre-tax profit to R14.1m ($16.7m), from R9.9m. At the after-tax level, profit advanced 39.5 per cent to R9.1m from R6.5m.

Mr Raymond Ackerman, the chairman, comments that the pre-tax profit improvement is particularly pleasing in that it was achieved in a year in which two major hypermarkets were opened and while two hypermarkets opened in the previous year were being brought to full potential.

Mr. Ackerman remains confident on his company's prospects. He expects growth to continue with the main objective this year the opening of large country stores away from the major urban areas in which until now Pick 'n Pay has concentrated its efforts. Five new supermarket openings are planned for the current year.

Ben hit by losses in Malaysia

By H. F. Lee in Singapore

BEN AND CO. continues to be beset by problems, with last year's final tally again ending in the red. The pre-tax loss for the year ended December 1978, was S$600,000 (U.S.$270,000) compared with a loss of S$1.36m for the previous period of ten months. Ben changed its accounting year after its acquisition by the Straits Steamship Group in 1977.

ASEAN FINANCE

Challenge to merchant banks

BY ANTHONY ROWLEY, RECENTLY IN JAKARTA

EUROPEAN MERCHANT banks operating in the five-member Association of South East Asian Nations (ASEAN) may find themselves facing competition from a new kind of indigenous investment bank in future.

But it is not only in the fields of investment banking and corporate finance that these proposed new financial institutions for resource and industrial development within ASEAN are posing a challenge to the European banks in the area.

What are provisionally being termed "resource development" banks, to be owned by private and state banks in ASEAN, possibly with foreign participation, would assume what some south-east Asian bankers describe as the "pioneering" role of merchant banks in financing and resource development. As they see it, European merchant banks are no longer fulfilling this role, within ASEAN at least.

The idea of creating these institutions was mooted at the most recent meeting of the council of the ASEAN central banks, in Bali, in February. The council comprises five senior bankers from each of the ASEAN states — Indonesia, Malaysia, the Philippines, Singapore and Thailand. The scheme is the brainchild of Omar Abdallah, chairman of the Indonesian National Banking Association.

Dr. J. Panglaykim, president director of the Sejahtera Bank Umum (SBU) in Jakarta, and a member of the three-year-old ASEAN Banking Council, is the co-ordinator of a study team commissioned by the council to examine the idea of resource development banks. Dr. Panglaykim said that the intra-regional banking forum had been looking at new ideas and concepts which would fit in with the different stages of banking development and the different monetary regimes within ASEAN.

Merchant and investment banking had emerged as one possible area in which private and State banks from ASEAN could co-operate, and at the same time fulfil a role which foreign merchant banks represented in the region were not fulfilling because of their concentration on other forms of banking.

These foreign banks are in the main "not committed to the region," he went on. "They deal in money instruments, but the old (European) merchant banks were more adventurous. The old pioneers are not pioneering any more."

Dr. Panglaykim suggests that the ASEAN institutions should study the development of the "sogo shosha" in Japan. Literally, these are "general trading companies." But the 15 sogo shosha are designed to "facilitate and develop trade flows and industrial activities both at the international and domestic level," according to a Japan Foreign Trade Council description.

With characteristic Japanese thoroughness, they seek out trade and investment opportunities in manufacturing, construction and services industries, as well as in resource-development projects. They then organise the capital, management and corporate framework to meet the identified needs. In effect, they are multi-service umbrella organisations for stimulating economic activity.

A new kind of investment bank has been proposed for South East Asia. What are provisionally called "resource development" banks, to be owned by private and state banks in ASEAN, would assume what some local bankers describe as the "pioneering" role of merchant banks in financing and resource development

Their resource development function is particularly interesting to ASEAN, which has an abundance of raw materials but is still largely unskilled in the ways of processing and marketing them—a role often fulfilled by Japanese trading houses.

The recent ASEAN-EEC conference on industrial co-operation held in Jakarta was designed to attract European capital and technology into agricultural and other resource-development projects in particular, but there was little initial sign of any great European enthusiasm for such investments.

Dr. Panglaykim tentatively foresees banks in the region "re-grouping according to their own choice" to form perhaps five resources development banks, with shareholdings from each of the five member countries' banks. The banks would then be free to gear up on this ASEAN equity by borrowing.

State banks, which in Indonesia control 83 per cent of banking system credit, would have to be able to participate with private banks in these new venture-capital institutions if the idea is to get the blessing of the various national monetary authorities and central banks in ASEAN. However, there are currently national regulations which do not permit State-owned banks to operate in certain ASEAN States.

A working paper is to be circulated among ASEAN Banking Council members in time for them to discuss the ideas further at the next council meeting, which is scheduled for July in Singapore. Dr. Panglaykim envisages the proposed institutions concentrating on the development of agri-business as well as on industrial development, and also providing services such as underwriting and placing of shares to encourage the development of stock markets in ASEAN.

He admits that there may be many difficulties before the ideas could be put into practice, and that it may be three or four years before it is possible to establish the first of the new development banks.

The resource development banks could "buy technology" from abroad and hire foreign managers and technical experts if necessary, the SBU bank head says, but the majority of the staff should be from ASEAN. "Not all ASEAN expertise is fully utilised. We are too much inhibited, too much impressed by the availability of managers from the West." Foreign banks would be welcome to co-operate with the ASEAN resources banks, however.

"Singapore (because of its relatively developed money and capital market structure) could act as the intermediary for us to come into the international capital markets for loans," Dr. Panglaykim suggests.

The idea is still tentative, and if experience with ASEAN joint industrial and complementation projects is any guide, may prove to be a slow or even non-starter. However, increasingly both governments and the private sector in ASEAN are realising that the mobilisation of domestic capital and skills is at least as important, if not more important in the long run, as foreign investment for their development.

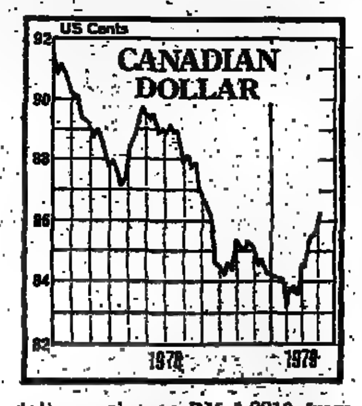
Companies and Markets

CURRENCIES, MONEY AND GOLD

Pound easier; yen weak

The dollar and sterling tended to move in the same direction once again in the foreign exchange market yesterday. Both currencies began firmly, and eased in the afternoon, but still finished slightly higher on the day against some major currencies, noteably the Japanese yen. Following heavy intervention by the Bank of Japan in Tokyo, the yen opened very weak in European trading, but the currency remained slightly above the worst levels touched in the Far East. The dollar/yen rate moved within range of Y213.05 to Y214.40, before closing at Y213.40, compared with Y211.80 on Monday.

Other currencies traded within a much narrower range, with the



dollar easing to DM 1.8810 from DM 1.8835 against the D-mark, but rising slightly to SwFr 1.7040 from SwFr 1.7030 in terms of the Swiss franc.

The dollar's trade-weighted index, as calculated by the Bank of England, rose to 85.4 from 85.2 per cent.

Sterling's index, on Bank of England figures, eased to 66.4 from 66.5, after standing at 66.6 at noon and 66.5 in early trading.

The pound opened at $2.0650-2.0660 against the dollar, and touched a best level of $2.0685-2.0695 in the morning, before easing to $2.0655-2.0665 at mid-day. Fears of a change in Bank of England Minimum Lending Rate, as part of the Budget proved groundless, but may have influenced trading. In the afternoon sterling fell to $2.0620-2.0630, and closed at $2.0655-2.0665, a fall of 15 points on the day.

The Irish punt rose slightly against the dollar, closing at $2.0395, compared with $2.0375 on Monday. Sterling also lost ground in terms of the Irish currency, finishing at £1.0115, compared with £1.0170. Against the Deutsche Mark the punt eased to DM 3.8360 from DM 3.84, and was quoted at FFr 8.8120 in terms of the French franc; DFl 4.1340 against the guilder; L1,719 against lira; DKr 10.65 against the Danish krone; and BFr 60.75 against the Belgian franc.

The Italian lira remained the strongest currency in the European Monetary System, showing a rise from its ECU central rate of 1.4205 per cent, compared with 1.3422 previously. Against the Belgian franc, the lira has appreciated by 2.93 per cent since the system began on March 13, compared with 2.76 per cent on Monday. The Belgian currency, which is the weakest member of the EMS, was fixed in Brussels at its intervention level of BFr 5.695 against the Danish krone for the second day running. The Belgian franc would also be at its floor against the lira, but for the wider margin of movement allowed for the Italian currency.

FRANKFURT—The Bundesbank did not intervene when the dollar was fixed at DM 1.8880 against the D-mark, compared with DM 1.8810 previously. A major reason behind the dollar's recent strength has been demand for the currency in the Far East, where the U.S. currency has risen sharply against the Japanese yen. Yesterday's fixing against the D-mark was the highest since early February.

TOKYO—The dollar remained very strong, rising to Y214.42½ against the yen, from Y211.15 on Monday. Heavy support for the Japanese currency by the Bank of Japan, estimated at $800m, was overwhelmed as the dollar touched a high point of Y215, its highest level since June last year. It opened at Y212.00, and rose to Y213.70 by the end of the morning, breaking through Y214 in the afternoon.

THE POUND SPOT AND FORWARD

April 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0620-2.0695*	2.0655-2.0665	0.35-0.25c pm	1.74	0.58-0.48 pm	1.03
Canada	2.3855-2.3960	2.3845-2.3855	0.28-0.18c pm	1.15	0.45-0.35 pm	0.67
Nethlnd.	4.18-4.21	4.18½-4.19½	2⅛-1⅛c pm	4.65	5½-4⅛ pm	4.42
Belgium	61.35-61.80	61.40-61.50	30-20c pm	4.88	65-55 pm	3.91
Denmark	10.78-10.84	10.78-10.79	2½-1½ore pm	2.23	3½-1½ pm	0.93
Ireland	1.0110-1.0170	1.0110-1.0120	0.10-0.20p dis	−1.78	0.45-0.55dis	−1.98
W. Ger.	3.88-3.91	3.88½-3.89½	2⅞-1⅞pf pm	7.33	6⅞-5⅞ pm	6.56
Portugal	99.70-100.30	100.00-100.30	50-110c dis	−9.59	120-250 dis	−7.39
Spain	140.65-141.20	141.05-141.15	35c pm-15c dis	0.85	50 pm-50 dis	par
Italy	1,738-1,744	1,740¼-1,741¼	2 lire pm-par	0.69	2½-1½ pm	0.15
Norway	10.55-10.61	10.55½-10.56½	3-1ore pm	2.27	8-6 pm	2.65
France	8.92-8.97	8.92½-8.93½	4-3c pm	4.70	8¾-7¾ pm	3.70
Sweden	9.01-9.07½	9.01½-9.02½	2¾-¾ore pm	2.33	7¾-5¼ pm	2.77
Japan	438-445	440½-441½	2.55-2.20y pm	6.48	6.05-5.60 pm	5.28
Austria	28.47-28.57	28.50-28.55	22-12gro pm	7.15	53-43 pm	6.73
Switz.	3.51½-3.53½	3.51¾-3.52¾	3⅞-2⅞c pm	11.50	9¾-8¾ pm	10.50

* Rate for March 30 should have read 2.0585-2.0720.

Belgium rate is for convertible francs. Financial franc 62.90-63.00. Six-month forward dollar 0.58-0.48c pm; 12-month 1.00-0.90c pm.

THE DOLLAR SPOT AND FORWARD

April 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0620-2.0695	2.0655-2.0665	0.35-0.25c pm	1.74	0.58-0.48 pm	10.3
Ireland†	2.0320-2.0420	2.0370-2.0420	0.10-0.20p dis	−0.87	0.45-0.55dis	−0.97
Canada†	86.35-86.45	86.40-86.45	0.06-0.03c pm	0.62	0.12-0.08 pm	0.46
Nethlnd.	2.0255-2.0320	2.0260-2.0280	0.70-0.60c pm	3.84	1.85-1.75 pm	3.55
Belgium	29.30-29.85	29.80-29.82	8½-6½c pm	3.02	21-19 pm	[illegible]
Denmark	5.2230-5.2365	5.2255-5.2280	0.40ore pm-0.10dis	0.34	par-0.50 dis	−0.19
W. Ger.	1.8820-1.8840	1.8800-1.8810	0.95-0.85pf pm	5.73	2.62-2.52 pm	5.46
Portugal	48.30-48.56	48.35-48.45	35-50c dis	−10.54	100-165dis	−10.95
Spain	68.25-68.35	68.25-68.35	18-28c dis	−4.04	38-48 dis	−2.52
Italy	842.50-843.60	842.90-843.10	0.90-1.30lire dis	−1.56	2.20-2.70dis	−1.16
Norway	5.1125-5.1230	5.1130-5.1140	1.25-0.75ore pm	2.34	2.20-1.70 pm	1.52
France	4.3205-4.3300	4.3215-4.3225	1.25-1.15c pm	3.33	3.00-2.80 pm	2.68
Sweden	4.3715-4.3840	4.3685-4.3695	0.30-0.10ore pm	0.55	1.20-1.00 pm	1.01
Japan	213.05-214.40	213.30-213.50	0.85-0.75y pm	4.50	2.25-2.10 pm	4.08
Austria	13.81-13.81½	13.81-13.81½	7-6½gro pm	5.75	19½-17½ pm	5.36
Switz.	1.7030-1.7050	1.7025-1.7035	1.55-1.45c pm	10.56	4.20-4.10 pm	8.74

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 2	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	13	0.620496	0.649297
U.S. $	9½	1.28362	1.34450
Canadian $	11¼	1.48553	1.55774
Austria Sch.	3¾	17.6979	18.5205
Belgian F.	6	38.1492	40.0190
Danish K.	8	6.69793	7.03038
D mark	3	2.41449	2.52900
Guilder	6½	2.60190	2.72503
French Fr.	9½	5.54652	5.81498
Lira	10½	1081.45	1132.74
Yen	3½	270.972	284.590
Nrwgn. K.	7	6.57342	6.88652
Spanish Pes.	8	87.4813	92.0577
Swedish Kr.	6½	5.61905	5.88917
Swiss Fr.	1	2.18446	2.28901

CURRENCY MOVEMENTS

Apr. 3	Bank of England Index	Morgan Guaranty changes %
Sterling	66.4	−38.3
U.S. dollar	85.4	−8.1
Canadian dollar	81.6	−16.1
Austrian schilling	146.0	+18.9
Belgian franc	114.1	+14.2
Danish kroner	117.6	+6.4
Deutsche Mark	149.7	+41.4
Swiss franc	196.7	+80.4
Guilder	124.9	+20.5
French franc	99.2	−6.4
Lira	54.6	−49.1
Yen	135.3	+33.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Apr. 3	£	$		£ Note Rates
Argentina Peso	2381-2401	1152-1162	Austria	28-29
Australia Dollar	1.8515-1.8615	0.8962-0.9010	Belgium	62½-63½
Brazil Cruzeiro	47.17-48.17	22.83-23.31	Denmark	10.79-10.89
Finland Markka	8.23-8.25	3.9835-3.9930	France	8.86-8.96
Greek Drachma	75.478-77.307	36.55-37.40	Germany	3.85-3.95
Hong Kong Dollar	10.3575-10.3750	5.0135-5.0220	Italy	1,715-1,755
Iran Rial	140.00-148.00	72-75	Japan	437-447
Kuwait Dinar (KD)	0.567-0.577	0.2770-0.2771	Netherlands	4.15-4.25
Luxembourg Frc.	61.40-61.50	29.73-29.75	Norway	10.55-10.65
Malaysia Dollar	4.5650-4.5760	2.2095-2.2146	Portugal	96-101
New Zealand Dlr.	1.9590-1.9680	0.9480-0.9530	Spain	139.0-142.0
Saudi Arab. Riyal	6.89-6.99	3.3530-3.3650	Switzerland	3.47-3.57
Singapore Dollar	4.5360-4.5480	2.1955-2.003	United States	2.06½-2.07½
Sth. African Rand	1.7425-1.7525	0.8435-0.8480	Yugoslavia	39½-43

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Apr. 3	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.066	3.890	441.0	8.930	3.523	4.190	1741.	2.396	61.45
U.S. Dollar	0.484	1.	1.883	213.5	4.322	1.705	2.028	842.6	1.159	29.74
Deutschemark	0.257	0.531	1.	113.4	2.296	0.906	1.077	447.5	0.616	15.80
Japanese Yen 1,000	2.268	4.685	8.821	1000.	20.25	7.988	9.501	3947.	5.431	139.3
French Franc 10	1.120	2.314	4.356	493.8	10.	3.945	4.692	1949.	2.682	68.81
Swiss Franc	0.284	0.587	1.104	125.2	2.535	1.	1.189	494.2	0.680	17.44
Dutch Guilder	0.239	0.493	0.928	105.3	2.131	0.841	1.	415.5	0.572	14.67
Italian Lira 1,000	0.574	1.187	2.235	253.3	5.130	2.024	2.407	1000.	1.376	35.30
Canadian Dollar	0.418	0.863	1.624	184.1	3.729	1.471	1.749	726.6	1.	25.66
Belgian Franc 100	1.627	3.362	6.330	717.7	14.53	5.732	6.819	2833.	3.897	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.20-10.30 per cent; three months 10.40-10.50 per cent; six months 10.55-10.65 per cent; one year 10.50-10.60 per cent.

Apr. 3	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	12-12¼	10-10¼	9-10	7¼-7½	⅛-¼	5-5⅛	6½-6¾	7-10	—	6¼-12¼
7 day's notice	12-12¼	10⅛-10⅜	9-10	7¼-7½	⅛-¼	5-5⅛	6¾-7	10-11	10¼-10⅜	4⅝-5¼
Month	12-12⅛	10⅜-10⅝	10⅞-11¼	6⅝-6⅞	⅝-⅞	4⅞-5⅛	7⅛-7⅜	10¼-11¼	10⅜-10½	5⅝-6⅛
Three months	11¾-11⅞	10½-10¾	10⅞-11¼	6⅞-7⅛	¾-1	5⅛-5¼	7¾-8	10¾-11¾	10½-10⅝	6¼-6½
Six months	11⅝-11¾	10¾-11	10⅞-11¼	7-7¼	1⅛-1¼	5⅜-5½	8½-8¾	11¼-12¼	10⅞-11	6¾-6⅞
One year	10¾-10⅞	10½-10⅝	10⅝-11⅛	7¼-7½	1⅛-1¼	5½-5⅝	9⅛-9⅜	11¾-12¾	10⅝-10¾	6⅛-6⅜

Long-term Eurodollar deposits: two years 10¾-10⅞ per cent; three years 10⅝-10¾ per cent; four years 10-10⅛ per cent; five years 10-10⅛ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Paris rates easier

Short-term interest rates showed an easier tendency in Paris yesterday, reflecting the high level of liquidity in the market. Call money fell to 6¼ per cent from 6⅜ per cent on Monday, its lowest level for nearly a month, having traded between 6⅜ per cent and 7½ per cent for the greater part of February. The easier trend showed through to the one-month rate which eased to 6¹¹⁄₁₆-6¹³⁄₁₆ per cent from 6¾-6⅞ per cent, while longer term rates were quoted at 7-7⅛ per cent for three-month, 7⅛-7⅜ per cent for six-month and 7⅜-7⅝ per cent for 12-month, all unchanged from Monday.

FRANKFURT — Interbank money rates showed little change yesterday although call money rose to 5.30-5.40 per cent from 5.00-5.20 per cent on Monday. Longer term rates were quoted at 5.00-5.20 per cent for one-month; 5.15-5.35 per cent for three-month; 5.30-5.50 per cent for six-month; and 5.80-5.90 per cent for 12-month money.

BRUSSELS — Deposit rates for the Belgian franc (commercial) were firmer throughout with one-month deposits rising to 7½-7¾ per cent from 7⅛-7⅜ per cent and three-month deposits to 7⅝-7⅞ per cent from 7⁷⁄₁₆-7⅝ per cent. The six-month rate was firmer at 8-8¼ per cent from 7⅞-8⅛ per cent and 12-month deposits were quoted at 8¼-8½ per cent against 8⅛-8⅜ per cent.

The yield on Belgian four-month bond fund paper was left unchanged at yesterday's auction at 8.05 per cent. Rates on one, two and three-month Treasury bills were also unchanged at 7.5 per cent, 7.75 per cent and 7.90 per cent respectively.

AMSTERDAM—Call money showed little change at 7¼-7½ per cent but longer term rates were generally higher. One-month interbank money rose to 7¼-7½ per cent from 7-7¼ per cent and three-month money rose to 7¼-7⅝ per cent from 7-7¼ per cent. The six-month rate was also quoted at 7¼-7⅝ per cent up from Monday's level of 7-7¼ per cent.

HONG KONG—Conditions in the money market were tight with call money at 11½ per cent and overnight money at 11¼ per cent.

GOLD

Slight rise

Gold rose $1 to $240½-241. The metal opened at $239½-240 and was fixed at $239.90 in the morning and $240.00 in the afternoon. The krugerrand's premium over its gold content narrowed to 9.09 per cent from 10.0 per cent for domestic delivery, and to 3.06 per cent from 3.29 per cent in the international market.

In Paris the 12½ kilo gold bar was fixed at FFr 33,600 per kilo ($241.24 per ounce) in the afternoon, compared with FFr 33,700 ($241.65) in the morning, and FFr 33,800 ($243.29) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 14,565 per kilo ($240.31 per ounce), compared with DM 14,540 ($240.77) previously.

	Apr. 3	Apr. 2
Gold Bullion (fine ounce)		
Close	$240¼-241 (£116.2-116.6)	$239¼-240 (£115.7-116.1)
Opening	$239¼-240 (£115.7-116.1)	$240¼-241 (£115.8-116.2)
Morning fixing	$239.90 (£116.006)	$240.05 (£116.078)
Afternoon fixing	$240.00 (£116.225)	$239.70 (£115.747)
Gold Coins, domestically		
Krugerrand	$260½-264½ (£126-128)	$262½-264½ (£127-128)
New Sovereigns	$68¼-70¼ (£33-34)	$68¼-70¼ (£33-34)
Old Sovereigns	$73-75 (£35¼-36¼)	$73½-75½ (£35½-36½)
Gold Coins, internationally		
Krugerrand	$247-249 (£119½-120½)	$246½-248½ (£119½-120½)
New Sovereigns	$62½-64½ (£30¼-31¼)	$62½-64½ (£30¼-31¼)
Old Sovereigns	$73-75 (£35¼-36¼)	$73½-75½ (£35½-36½)
$20 Eagles	$316½-321½	$317-322
$10 Eagles	$182-187	$179-184
$5 Eagles	$121-126	$120-125

UK MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 13 per cent (Since March 1, 1979)

Day to day credit was in good supply in the London money market yesterday and the authorities sold a large amount of Treasury bills to absorb the surplus. This made it the first time since February 20 that they had sold bills to the market.

Factors against the market included a moderate net take up of Treasury bills to finance and a small increase in the note circulation. These were outweighed however by bank balances brought over from Monday being a very large way above target.

Discount houses were paying up to 12¼ per cent for secured call loans at the start but conditions eased considerably with closing balances taken as low as 5 per cent. In the interbank market overnight loans opened at 12¼-12½ per cent and eased to 11½-11¾ per cent before briefly touching 11¼-11½ per cent. Rates declined steadily soon after down to 6-7 per cent but rose again to 8-9 per cent before finishing at 3-4 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Apr. 3 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ϕ	Eligible Bank Bills ϕ	Fine Trade Bills ϕ
Overnight	—	3-12⅛	—	—	—	11-11½	5-12¼	—	—	—
2 days notice	—	—	12⅛-12¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11¾-12	12⅜-12½	—	12½	12½	11¾-12¼	—	—	—
One month	12⅛-12	12-12⅛	12⅛-12⅜	12½-12⅞	12½	12⅝	11¾-12	11½-11⅝	12-12¼	12½
Two months	12-11⅞	11⅞-12	—	12-12⅛	12⅜		11½	11⅝	12-12⅛	12⅜
Three months	11¾-11⅝	11⅞-11⅞	11⅞-12	11½-11⅞	12¼	12¼	11½-11⅝	11⅜	11⅝-11¾	12¼
Six months	11¼-10⅞	11⅛-11¼	11⅛-11½	10½	11½	—	—	—	10⅞-10⅝	12
Nine months	10⅞-10¾	10⅞-11	—	10⅝-11	11¼	—	—	—	—	—
One year	10⅞-10⅝	10⅞-10⅞	10¾-11	10⅝-11	11¼	—	—	—	—	—
Two years	—	—	11⅝-11½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 11½-11⅞ per cent; four years 11¾-12 per cent; five years 11⅞-12⅛ per cent. ϕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11½-11¾ per cent; four-month trade bills 12 per cent.

Approximate selling rates for one-month Treasury bills 11¾ per cent; two-month 11½ per cent; three months 11⅜ per cent. Approximate selling rate for one-month bank bills 12⅛-12⅞ per cent; two-month 11⅞-11³¹⁄₃₂ per cent; and three-month 11²³⁄₃₂-11½ per cent; one-month trade bills 12⅝ per cent; two-month 12½ per cent; and three-month 12¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10.5 per cent. Clearing Bank Rates for lending 13 per cent. Treasury Bills: Average tender rates of discount 11.4397 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11.5-11.75
Fed Funds	10.0625
Treasury Bills (13-week)	9.55
Treasury Bills (26-week)	9.54
GERMANY	
Discount Rate	4
Overnight Rate	5.35
One month	5.10
Three months	5.20
Six months	5.40
FRANCE	
Discount Rate	9.5
Overnight Rate	6.5
One month	6.75
Three months	7.0625
Six months	7.3125
JAPAN	
Discount Rate	3.5
Call (Unconditional)	4.6875
Bills Discount Rate	4.875

COMPANY NOTICES

LEGAL NOTICES

PUBLIC NOTICES

EDUCATIONAL

RESIDENTIAL PROPERTY

PERSONAL

Early Wall St. rally as nuclear threat lessens

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—55½% (57%)
Effective $2.0660 23½% (24½%)

REVERSING THE recent reactionary trend, Wall Street staged a useful advance in active early dealings yesterday as selling abated in the hard-hit nuclear power stocks.

The Dow Jones Industrial Average moved ahead 7.10 to 862.35 at 1 pm, while the NYSE All Common Index rose 47 cents

Closing prices and market reports were not available for this edition.

to $57.20 and gains commanded more than a two-to-one lead over declines. Turnover amounted to 22.59m shares at 1 pm.

Analysts said the selling on Monday in nuclear-related issues appeared to have reached a climax and that a rebound was due. The recovery was aided by reports that the chances for safely cooling the crippled Three Mile Island nuclear reactor had improved.

Other helpful market factors were the strength of the dollar and the large amount of cash in the hands of institutions. These cash reserves have tended to soften recent downturns, analysts added.

However, the trucking shutdown remained a worry, with some industries already feeling the impact of the strike lock-out.

General Public Utilities topped the actives list after trading was resumed for the first time in two days, but the shares lost 1½ to $14¼. The utility stated on Monday that both its profits and finances would be hurt by the accident at its Three Mile Island plant and said consideration of dividends would have to await assessment of the accident's costs.

Other Nuclear Power issues picked up. **Kerr McGee**, a major uranium producer, rose $1 to $49⅞. **Combustion Engineering** put on 1½ to $38¾ and J. Ray McDermott, whose Babcock and Wilcox unit built the Three Mile Island plant, gained ¾ to $19¼.

MacMillan climbed 1¾ to $16¾. The company said that it is willing to consider mergers under certain conditions. H. K. Porter has acquired 7 per cent of MacMillan as an investment.

Among Airlines, **Delta** put on ¾ to $41, **Trans World** $1 to $17½, active **Allegheny** ½ to $11¾ and **Braniff** ¾ to $12½. **UAL** rose ⅞ to $26⅞ despite a strike against its United Airlines subsidiary.

THE AMERICAN SE Market Value Index strengthened 1.34 to 178.80 at 1 pm on volume of 2.62m shares.

Dynalectron, the leading Amex active, rose ⅜ to $6⅞. It has received a contract to complete development of Kennecott Copper's coal desulphurisation process.

Oils were mostly higher, but *Sundance Oil*, on lower fourth-quarter net earnings, declined 1½ to $26.

Canada

A recovery tendency was also apparent on Canadian markets yesterday morning in a fairly active business, after the previous day's sharp retreat. The Toronto Composite Index, down 15.7 on Monday, regained 5.6 to 1,456.9 at noon. The Oils and Gas index moved ahead 19.9 to 2,189.6, while Metals and Minerals put on 5.5 to 1,277.1, Utilities 0.63 to 214.42 and Banks 0.47 to 302.89. Golds, however, lost 8.7 to 1,562.0, and Papers shed 0.75 to 160.97.

Tokyo

There was a further widespread setback in moderate activity, with the market still worrying about a possible credit squeeze, and also concerned about the yen's sharp depreciation against the dollar which could increase inflationary pressure.

The Nikkei-Dow Jones Average retreated another 53.92 to 6,035.07 and the Tokyo SE index fell 4.24 more to a low for the year of 441.41, while volume came to 260m shares.

Large-capital, speculative and resources-related shares were predominantly lower.

Hitachi lost Y5 to Y255, **Nippon Steel** Y4 to Y122, **Toray Industries** Y9 to Y170, **Matsushita Electric Industrial** Y10 to Y660, **Kirin Brewery** Y11 to Y445, **Takeda Chemical** Y16 to Y350, **Canon** Y13 to Y550, **House Food** Y15 to Y960 and **Pioneer Electronic** Y30 to Y2,180.

Electric Power issues showed marked weakness, with **Kansai Electric Power**, falling Y64 to Y910.

Germany

After Monday's depression, shares mainly rallied on meeting strong buying at the lower levels from both priate and institutional investors. The Commerzbank index, down 8 points the previous day, recovered 3.9 to 782.6.

Brokers said news that a major catastrophe appears to have been averted at the Harrisburg nuclear power plant in the US helped to spur yesterday's uptrend.

Leading Heavy Machinery Manufacturers appeared to benefit from the good news from Harrisburg, with **Gutehoffnungshuette** regaining DM2.50 and **Deutsche Babcock** DM2.00. **KHD** put on DM1.00 and *Linde* DM3.00.

In Electricals, Siemens were up DM1.50 and AEG added DM3.20.

Banks wound up broadly higher. **Deutsche Bank** advanced DM4.00 and **Dresdner Bank** DM3.00. Deutsche Bank's statement of higher earnings and an unchanged dividend came too late for the market.

Motors were well favoured. **Daimler-Benz** gained DM4.00 following news of a new car plant to produce a small passenger mode. **Volkswagen** and **BMW** advanced DM2.50 apiece.

Among Utilities and *Minings*, **VEBA** gained DM2.10, **VEW** DM1.00 and **RWE** DM.1.20. Major Store companies rose between DM3.00 and DM4.00.

Construction issues finished mixed, with **Hoch-Tief** up DM4.00 but **Holzmann** off DM4.00.

Paris

Stocks displayed a downward tndency in moderate trading.

Brokers said the weakening trend was a result of selling orders accumulated during the five-week strike of brokers' clerks, which ended on Monday, while also sapping investor enthusiasm was dissention *within* the French Government majority parties.

Apart from generally higher Oils and Public Services and a mixed Foods group, declines predominated in all sectors, with the heaviest losses being observed among Metals.

Closing 4 per cent or more below Monday's levels were **Credit du Nord**, **Simco**, *Casino*, **Dumez**, **Tales de Luzenac**, **Saone**, **Sacilor** and **Roussel-Uclaf**, which remained affected by its announcement of a lower 1978 profit.

Gaining against the general trend were **Mumm**, **Thomson-Brandt**, **Primagaz**, **Air Liquide**, **Francaise de Affinage** and **Europe 1**.

Hong Kong

Stock prices continued to retreat in quiet dealings, still undermined by the weakening Hong Kong dollar and fears of higher local interest rates. The Hang Seng index finished 10.95 lower at 518.59.

Hong Kong Wharf lost HK$1.00 to HK$31.00. *Jardine Matheson* shed 40 cents to HK$1.60 following its results, while **Hongkong Bank** were also 40 cents cheaper at HK$12.50.

Hang Seng Bank fell HK$6.00 to HK$144.00. **Hong Kong Telephone** 60 cents to HK$27.70. **Cheung Kong** 30 cents to HK$10.30 and **Sun Hung Kai Properties** 25 cents to HK$8.35, while **Swire Pacific "A"** receded 15 cents to HK$7.60 and **China Light** 10 cents to HK$20.70.

Australia

Minings were easier-inclined, but Uraniums regained part of *Monday's sharp falls*, aided by better news regarding the dangerous situation at the Harrisburg nuclear plant in the U.S.

Among Uranium issues, *Pancontinental*, A$10.70, recouped 70 cents of the previous day's loss of A$2.40, while **Kathleen Investments** rallied 20 cents and **Queensland Mines** 15 cents to *close at the common price of* A$3.30. **Peko-Wallsend** picked up 10 cents to A$5.40 and Ranger partner **EZ Industries** held steady at A$3.10.

Elsewhere *on the* Mining boards, **Metals Exploration**, 69 cents, **Oakbridge**, A$1.40, and **Otter Exploration**, 41 cents, receded 4 cents apiece, but CRA recovered 6 cents to A$3.54 and **Central Norseman Gold** rose A$1.20 to A$20.20.

Among an irregular Industrials sector, BHP slipped back 5 cents to A$11.70, while **Dunlop** retreated 6 cents to 81 cents, but **General Property Trust** put on 6 cents to A$1.60.

Lowes advanced 21 cents to A$1.09 in response *to a bid from* Ermwalkin Properties.

In the Banks group National declined 4 cents to A$2.28 and **ANZ** 3 cents to A$4.15.

Johannesburg

Gold shares were quietly easier in line with lower bullion indications.

Dealers said developments at Three Mile Island nuclear power station in the U.S. put additional selling pressure on Uranium Producers, but some added that most uranium supply contracts were fixed and long term and price falls were temporary.

Mining Financials were mixed in subdued trading. Diamond leader **De Beers** lost 170 cents to R8.40. Platinums were mostly easier, but Coppers were steady and Collieries firmer.

Indices

NEW YORK —DOW JONES

	April 2	Mar. 30	Mar. 29	Mar. 28	Mar. 27	Mar. 26	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	855.25	862.19	868.77	868.25	871.35	854.82	888.77 (23/3)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.81	84.59	84.62	84.88	84.38	84.47	85.90 (2/2)	[illegible] (15/1)	—	—
Transport	225.56	225.17	224.19	223.80	225.79	218.81	225.7 (30/3)	205.78 (27/2)	273.88 [illegible]	12.23 [illegible]
Utilities	105.32	104.19	104.65	104.77	104.80	104.47	[illegible] (31/1)	98.10 (2/1)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	29,040	30,140	28,520	39,920	33,040	25,440	—	—	—	—

◆ Day's high 859.93 low 849.27

Ind. div. yield %	Mar. 23	Mar. 16	Mar. 9	Year ago (approx)
	5.75	5.80	5.87	6.16

STANDARD AND POORS

	April 2	Mar. 30	Mar. 29	Mar. 28	Mar. 27	Mar. 26	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
‡Indust'ls	112.61	113.58	113.81	114.06	114.46	112.77	118.69 (9/1)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	100.90	101.59	102.05	102.12	102.48	101.04	102.48 (27/3)	98.13 (27/2)	125.85 (11/1/6)	4.40 (1/6/32)

	Mar. 30	Mar. 28	Mar. 21	Year ago (approx).
Ind. div. yield %	5.74	4.99	5.03	5.46
Ind. P/E Ratio	8.44	8.66	8.58	8.48
Long Gov. Bond Yield	9.02	8.98	9.02	8.15

N.Y.S.E. ALL COMMON

April 2	Mar. 30	Mar. 29	Mar. 28	1979 High	1979 Low
56.73	57.13	57.54	57.35	57.53 (28/3)	53.88 (27/2)

Rises and Falls

	April 2	Mar. 30	Mar. 29
Issues Traded	1,885	1,897	1,876
Rises	430	645	757
Falls	1049	761	637
Unchanged	406	491	482
New Highs	—	—	60
New Lows	—	—	6

MONTREAL

	April 27	Mar. 30	Mar. 29	Mar. 28	1979 High	1979 Low
Industrial	245.98	248.20	250.21	250.87	250.91 (27/3)	218.79 (2/1)
Combined	246.57	249.02	249.55	249.51	249.51 (28/3)	225.86 (2/1)
TORONTO Composite	1451.32	1,465.4	1487.17	1486.6	1467.17 (28/3)	1515.6 (2/1)
JOHANNESBURG Gold	261.9	264.6	266.7	268.6	280.7 (7/2)	247.6 (12/1)
Industrial	518.0	516.0	312.3	310.1	312.3 (29/3)	270.6 (2/1)

	Apr. 3	Previous	1979 High	1979 Low
Australia (§)	564.96	567.08	587.66 (19/3)	546.79 (2/1)
Belgium (‖)	106.12	106.18	106.23 (30/3)	93.60 (5/1)
Denmark (**)	84.56	95.31	95.31 (2/4)	88.32 (2/1)
France (††)	(u)	(u)	79.4 (15/1)	71.6 (16/3)
Germany (‡‡)	782.6	778.7	839.6 (16/1)	774.2 (26/3)
Holland (§§)	77.0	77.5	85.9 (24/1)	75.8 (21/3)
Hong Kong	518.59	529.54	568.90 (5/2)	493.25 (2/1)
Italy (‖‖)	74.95	75.65	78.46 (28/3)	62.38 (2/1)
Japan (a)	441.41	445.65	462.97 (31/1)	441.41 (3/4)
Singapore (b)	371.00	371.19	372.95 (1/3)	346.34 (23/2)

	Apr. 3	Previous	1979 High	1979 Low
Spain (d)	—	(u)	111.86 (8/3)	93.02 (12/1)
Sweden (c)	371.56	372.08	401.34 (6/2)	362.05 (2/1)
Switzerl'd (f)	—	318.4	321.6 (20/2)	294.0 (3/1)

Indices and base dates (all base values 100 except NYSE All Common—50 Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Westinghse. Elec.	1,090,000	18¾	−⅛
McDermott & Co.	895,000	19	−⅜
Kerr-McGee	395,300	48⅞	−2⅛
Columbia Pictures	333,900	28	+½
Continental Oil	324,900	33¾	−⅞
Southern Cal. Ed.	294,500	23¾	−⅛
East Gas & Fuel	283,900	18¾	+⅛
Citizens Southern	285,800	2	+⅛
Pac. Gas.	281,000	23¾	−⅛

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
AKZ C	F.25	4	4.50	3	5.10	—	—	F.29.50
AKZ C	F.30	20	0.50	1	1.70	10	2.60	"
AKZ C	F.32.50	—	—	75	0.70	—	—	"
ARB C	F.75	—	—	2	2.20	—	—	F.75
ARB C	F.80	—	—	—	—	2	1	"
HO C	F.32.50	—	—	1	1.50	11	2.80	F.30.50
IBM C	$300	—	—	20	26	—	—	$314
IBM C	$320	9	3½	—	—	—	—	"
KLM C	F.100	5	3.30	5	7.70	5	9	F.101.50
KLM C	F.110	—	—	—	—	1	5.70	"
KLM C	F.130	—	—	10	0.90	—	—	"
KLM C	F.140	—	—	—	—	6	1	"
KLM P	F.100	—	—	1	3.50	1	4.90	"
PHI C	F.22.50	10	2.10	1	2.60	—	—	F.24.30
PHI C	F.25	3	0.30	67	0.70	12	1.10	"
PHI C	F.27.50	—	—	—	—	10	0.50	"
PRD C	$40	—	—	10	3⅝	—	—	$38½
PRD C	$50	—	—	1	⅝	—	—	"
RD C	F.130	2	7.80	—	—	—	—	F.137.50
RD C	F.135	36	3	—	—	—	—	"
RD C	F.140	102	0.60	10	18.0	25	2.50	"
RD P	F.135	—	—	—	—	1	6	"
UNI C	F.125	—	—	—	—	1	6.30	F.127.80
UNI C	F.130	—	—	2	1.60	1	2.40	"

TOTAL VOLUME IN CONTRACTS 506

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	13 %	■ Hambros Bank	13 %
Allied Irish Banks Ltd.	13 %	■ Hill Samuel	§13 %
Amro Bank	13 %	C. Hoare & Co.	†13 %
American Express Bk.	13 %	Julian S. Hodge	14 %
A P Bank Ltd.	13 %	Hongkong & Shanghai	13 %
Henry Ansbacher	13 %	Industrial Bk. of Scot.	12½%
Associates Cap. Corp.	14 %	Keyser Ullmann	13 %
Banco de Bilbao	13 %	Knowsley & Co. Ltd.	14½%
Bank of Credit & Cmce.	13 %	Lloyds Bank	13 %
Bank of Cyprus	13 %	London Mercantile	13 %
Bank of N.S.W.	13 %	Edward Manson & Co.	14 %
Banque Belge Ltd.	13 %	Midland Bank	13 %
Banque du Rhone et de la Tamise S.A.	13½%	■ Samuel Montagu	13 %
Barclays Bank	13 %	■ Morgan Grenfell	13 %
Bremar Holdings Ltd.	14 %	National Westminster	13 %
Brit. Bank of Mid. East	13 %	Norwich General Trust	13 %
■ Brown Shipley	13 %	P. S. Refson & Co.	13 %
Canada Perm't Trust	13 %	Rossminster	13 %
Cayzer Ltd.	13 %	Royal Bk. Canada Tst.	13 %
Cedar Holdings	13 %	Schlesinger Limited	13 %
■ Charterhouse Japhet	12½%	E. S. Schwab	14 %
Choulartons	13 %	Security Trust Co. Ltd.	14 %
C. E. Coates	13 %	Shenley Trust	15 %
Consolidated Credits	13 %	Standard Chartered	13 %
Co-operative Bank	*13 %	Trade Dev. Bank	13 %
Corinthian Securities	13 %	Trustee Savings Bank	13 %
The Cyprus Popular Bk.	13 %	Twentieth Century Bk.	14 %
Duncan Lawrie	13 %	United Bank of Kuwait	13 %
Eagil Trust	13 %	Whiteaway Laidlaw	13½%
English Transcont.	12½%	Williams & Glyn's	13 %
First Nat. Fin. Corp.	15 %	Yorkshire Bank	13 %
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	13 %		
Greyhound Guaranty	13 %		
Grindlays Bank	‡13 %		
■ Guinness Mahon	13 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10½%, 1-month deposits 10¾%.
† 7-day deposits on sums of £10,000 and under 10½%, up to £25,000 11%, and over £25,000 11¼%.
‡ Call deposits over £1,000 10½%.
§ Demand deposits 11%.

Nickel futures market planned

BY JOHN EDWARDS, COMMODITIES EDITOR

A NICKEL futures market is to be launched later this month by the London Metal Exchange—in the teeth of strong opposition to the idea from producers.

Mr. Ian Foster, chairman of the LME committee, announced yesterday at the end of the morning trading session that the Exchange would start dealings in three month primary nickel futures on April 23 and the first cash price quotations would be on July 20. This is the second new contract to be launched by the Exchange recently, which introduced aluminium futures trading last October.

Mr. Foster pointed out that there had been dramatic changes in the structure of the nickel industry during the last ten years. Historically, nickel had been produced by a few powerful groups, but there were a considerable number of new producers entering the market. He said the new market would provide the hedging facilities necessary in today's business climate.

International Nickel of Canada, the world's biggest producer, took a different view. It issued a statement regretting the LME decision. It added that speculation in a metal of such vital industrial importance was potentially harmful and could be economically damaging to consumers and producers.

It claimed that assured sources of nickel supplies "could be at risk in the long term."

Other major Western world nickel producers are known to take a similar view to Inco, although two of them—Le Nickel and Amax—have subsidiaries as ring-dealing members of the Exchange.

The producers fear they will lose control over the pricing of their nickel in the same way as the copper. It is feared the greater volatility of prices resulting from Metal Exchange dealings could unsettle consumers and undermine long-term investment.

In the UK more than 80 per cent of nickel consumers have protested to the Department of Trade about the potential harm from the new market.

However, the Metal Exchange said that it is not seeking to replace the producer price structure, but is simply aiming at putting free market dealings, not controlled by producers, on a wider, more sensible, basis.

Exchange spokesman pointed out that Inco resorted to quoting prices on a confidential basis from July 1977 to February this year because producer quotations became meaningless in the highly competitive conditions created by a huge surplus of supplies overhanging the market.

Producers have only recently regained control as a result of the lengthy strike at Inco's Sudbury mines drastically reducing the surplus and triggering off demand from consumers to rebuild stocks.

If the strike continues for much longer and creates a world shortage, the new market may be starved of supplies. But the Exchange is confident that the existing free market is destined to become more important in the years ahead with the entry of new producers.

The contract has deliberately been tailored to cover a wide range of deliveries. It is for primary nickel either in the form of cathodes, pellets or briquettes, with no premiums or discounts specified for different sizes. But the size of the lots, of six tonnes each, is the delivery quantity used by the Soviet Union, a prominent world nickel producer.

A major problem which delayed the introduction of the contract was the possibility of fraud resulting from the difficulty of inspecting the contents of the sealed drums in which nickel is delivered.

The Exchange believes this problem has been overcome, but the delay in introducing the new market means that it has missed the sudden turn-round this year from gross surplus to possible scarcity as a result of the Inco strike.

Sharp rise in tin market

By John Edwards, Commodities Editor

TIN PRICES jumped on the London Metal Exchange yesterday as fresh buying came into an oversold market.

Standard grade cash tin closed £157.5 up at £7,250 a tonne. The high grade spot quotation rose even higher by £210 to £7,345 reflecting the scarcer supplies of the better quality tin.

Copper prices rallied strongly from the sharp decline in the New York market on Monday night. Cash wirebars closed only £3 down at £1,013.5 a tonne but lost ground again in later dealings when Asarco, the U.S. producer, announced a further cut of two cents to 98 cents a lb in its domestic selling price.

The earlier rally in copper followed the lack of news about any progress in settling the threatened strike at Noranda's giant Canadian Copper Refinery, which is due to start today.

There was no confirmation of rumours in New York that agreement had been reached. At the same time concern is growing about a shortfall in supplies from Zaire.

A feature of the market was that cash cathodes moved to a premium over wirebars and at the closing price of £1,017 were only at a discount of £1 to the three months cathodes quotation.

Heavy buying from one influential dealer emphasised *the shortage of good quality* cathodes available to the market, despite the apparently substantial stocks still held in LME warehouses.

Lead prices were boosted by news from Kennecott that *talks to settle the strike at its* Ozark lead-zinc mine had "proved fruitless."

INDIAN AGRICULTURE

Escape from the 'famine trap'

BY K. K. SHARMA IN NEW DELHI

WHILE INDIA'S foodgrain storage space is already strained by three successive bumper harvests, the Ministry of Agriculture has forecast yet another record harvest for 1978-79 in its annual report published recently.

This has implications not only for food supply, which is now clearly in surplus and will give stimulus to plans for export on a large scale, but also for the economy as a whole.

For the past three decades, India's economic policy-makers have been concerned about the risk of periodic food shortages caused by drought or other natural calamities.

This phase now seems to be over. With a considerable cushion against shortages in the shape of buffer stocks that are expected to be 20m tonnes by June, the planners can afford to take some risks.

With four years of plentiful production the incomes of farmers have increased substantially. These have been added to by deliberate Government policy which is now clearly tilted in favour of rural development and incentives to farmers because of the dominant agriculturists' lobby in the ruling Janata Party.

The recent Budget presented by Mr. Charan Singh, Deputy Prime Minister and Finance *Minister, in which he gave more* than Rs2.5bn (£160m) worth of tax concessions to farmers and lowered duties on agricultural inputs, is a clear indication of this.

India's planners must now *make provision* not only to meet increased demand for agricultural inputs like fertilisers and pesticides but also other goods on which the country's better-off farmers will be spending their higher incomes.

High incomes in rural areas are not evenly spread and clearly the main beneficiaries are farmers with large holdings. There are still many such large-scale landowners, and land re*forms* are not expected to be speeded up in view of the stranglehold that they have on the Janata Party.

That their incomes will rise greatly is clear from the Agricultural Ministry's report which says that, despite the loss of 3m tonnes of foodgrains in last year's floods overall foodgrain production in 1978-79 will be more than the record 125.6m tonnes produced in the previous year.

The target of 2.8m hectares of additional irrigation is expected to be achieved. The fertiliser consumption target of an extra 5m *tonnes* is likely to be exceeded.

Preliminary reports for rice indicate that the fall in production in the states of West Bengal and Madhya Pradesh—which were hit by floods—will be offset by a substantial increase in production elsewhere.

However, production of barley and maize is expected to be lower than the previous year because of excessive rain and *floods. Reports for wheat indi*cate an advance over last year's production of 33.13m tonnes. There is some uncertainty over pulses but the Ministry is hopeful that output will be better, overcoming a current shortage.

Cotton *production is expeced* to increase by 10,000 bales of 170 kilos each to 7.5m bales. Sugar cane production will be close to last year's level of 181.6m tonnes while oilseeds are expected to increase and cover another area of shortage.

Raw jute production is estimated at 6.45m bales of 180 kilos, which is 20.4 per cent higher than the previous year.

The Ministry report points out that the high priority given to agriculture by the new Government led to a peak in production in 1977-78. The agricultural production index (1969-1970=100) *touched a high of* 132.7 which was 13.9 points higher than the previous year's level.

The record foodgrain crop was 4.6m tonnes more than the previous peak of 1975-76 and 14.4m tonnes more than the production of 1976-77.

Overall the boost in agricultural production has given new strength to the economy. The country is finally out of the *"food scarcity trap" so that dis*tribution and zonal restrictions on movement of food are no longer needed.

'No' to price war in wheat trade

OTTAWA—Canada and Australia have agreed to refrain from trying to increase their shares of the international wheat market by undercutting each other's prices.

The understanding was disclosed by Mr. J. D. Anthony, Australian Deputy Prime Minister, and Mr. Otto Lang, Canadian Transport Minister, following talks here.

Mr. Lang, who is responsible for wheat matters said he has assured Mr. Bob Bergland, U.S. Agriculture Secretary, that Canada will not undermine any U.S. actions to bolster U.S. domestic wheat prices.

The U.S. accounts for about 43 per cent of the international wheat trade, Canada 21 per cent, Australia 14 per cent and Argentina 9 per cent.

Although Australia's last wheat crop was big Mr. Anthony said Australia would restrain its export marketing.

He was opposed to an OPEC-type price cartel for wheat. He said he still favoured an international wheat price stabilisation arrangement acceptable to both wheat importers and exporters.

Protest at meat levy increase

BY RICHARD MOONEY

THE UK Meat and Livestock Commission has angered British livestock farmers, slaughterers and meat processors by announcing a 38 per cent increase in the levies through which it is financed.

From April 16 the slaughter levy on sheep will be doubled to 16p a head, the cattle levy *will rise from 78p to 90p a head* and that on pigs by 8p to 30p a head.

The higher levies will raise an extra £2.42m a year of which £1.55m will be spent on meat promotion and £870,000 on the Commission's general activities.

The announcement prompted a *protest from the* Association of British Abattoir Owners, the Bacon and Meat Manufacturers Association, the Federation of Fresh Meat Wholesalers, the National Association of Wholesale Meat Salesmen of Scotland and the Smithfield Market Fresh Meat Traders Association. They complained that the higher levies imposed a "heavy *and largely unnecessary burden*" on them at a time when they were enduring "exceedingly difficult trading conditions."

The National Farmers' Union and the National Federation of Meat Traders have also written to Mr. W. Johnstone, Commission chairman, deploring the decision.

The meat trade supports the higher meat promotion budget but is very unhappy about the cost of the Commission's general activities.

It could have saved at least £500,000 a year by reducing the statistical sample used for calculating sheep and cattle numbers from 1,200 herds to 400 and by charging users of the abattoir advisory service and meat classification service directly, said Mr. A. F. (Bob) Ensor, president of the Federation of Fresh Meat Wholesalers.

"The Commission must learn to cut its coat according to its cloth," he added.

But Mr. Johnstone said the Commission was already containing costs tightly. The deficit in the year to March 31 totalled £449,000 and without levy increases would have risen to more than £500,000 in 1979/80 and £800,000 in 1980/81 he said. The present budget is estimated to yield a £317,000 surplus but this assessment is "almost bound to prove optimistic," he said.

Dispute hits wool exports

SYDNEY—A dispute at Wooldumpers, a New South Wales company, is delaying the export of about 14,000 bales of wool to Japan, the USSR and Western Europe.

The dispute has prevented the movement to wharves from Wooldumpers of about 8,250 *bales for Japan, about 3,000* bales for the USSR, and just under 3,000 bales for Europe.

Storemen and packers employed at the company's store have been refusing for some months to handle bales weighing more than the agreed limit of 204 kilos each.

These bales, handled by mechanical gear, are normally exempt from the weight limit.

The dispute has now gone to Australia's top union body, the Australian Council of Trade Unions, which is holding talks in Melbourne with the Storemen and Packers' Union and Woolbrokers' industrial representatives, sources said.

At the Sydney wool sale yesterday the market was in sellers' favour for merino fleece wool, while coarser merino fleeces and all skirtings and cardings were firm, the official report said.

Reuter

No ban yet on hide exports

By Our Commodities Staff

A MEETING of Common Market diplomats and Commission officials has failed to agree on a *British appeal for a ban* on all exports of raw hides from the EEC.

Officials said there was sympathy for the UK plea, prompted by the rapid escalation in hide prices which is threatening tannery jobs, but other delegates needed more time to consider it.

Drought hits Central American coffee crop

BY OUR COMMODITIES STAFF

COFFEE SUPPLIES from Central America and Mexico could fall 3.8m bags short of demand in the second half of this year, Mr. Eduardo Gonzalez, president of the Central American Coffee Producers' Federation said in Guatemala City yesterday.

The shortfall would have to be made good by buying from elsewhere and changing blends, he told Reuters.

The trouble had been caused, he added, by drought and late flowering.

The impact of this on the size of the crop has not been assessed, but flowering was two months late and the harvest is bound to be delayed.

Meanwhile, in Bogota, Colombian coffee growers *announced that exports between* October and March totalled 5.78m bags — an increase of 194 per cent over the corresponding period a year earlier.

And in Buenos Aires the Brazilian Coffee Institute proposed that a start should be made on establishing export quotas for coffee producing countries.

The proposal was to be put to the current meeting of the Inter*national* Coffee Organisation executive board in London.

The institute said the quotas would be largely symbolic and comfortably above estimated world consumption, but the aim was to obtain agreement in principle to a control system from the world's consumer countries.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lost ground on the London Metal Exchange. A sharp decline in overnight U.S. markets saw forward metal open at £1,005 but the absence of any news concerning the possible strike in Canada prompted trade support which lifted the price £1,017.5 on the *morning kerb. In the afternoon a strong* opening on Comex pushed the price here up to the day's high of £1,023 but it subsequently fell sharply on the late kerb to close at £1,013, after £1,011, following news that Asarco had cut its producer price by 2 cents which caused heavy stale bull liquidation from an influential source. Turnover: 23,275 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,007, three months £1,010, 11, 12, 12.5, 13, 12.5, 13, 14, 15, 14.5, 15, 16, 17, 17.5. Cathodes: cash £1,007, 9, 10, 12, three months £1,012, 15. Kerb: Wirebars cash £1,008, three months £1,020, 18, 16. Cathodes: three months £1,016. Afternoon: Wirebars: three months £1,017, 18, 17, 16.5, 17, 18, 18.5, 19, 20, 21, 22, 23. Cathodes: three months £1,018. Kerb: Wirebars: three months £1,020, 21, 20, 19, 18, 17, 16, 16.5, 16, 15, 14, 13, 11, 12, 14, 12, 12.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1007.5-8	—15.5	1013-4	—5
3 months	1017-8	—15.7	1022-5	—4.25
Settl'm'nt	1008	—15.5	—	......
Cathodes				
Cash	1012-3	—4.75	1016-8	+2.5
3 months	1015.5-6.5	—11	1017-9	—3.5
Settl'm'nt	1013	—15.5	—	......
U.S. Smt.	—	......	*98-105.25	......

TIN—Firmer. A rise in the Penang market saw forward metal open at £7,080 and move up to £7,070 on the pre-market. In the rings hedge buying and pricing against east European business lifted the price afresh to £7,140. The afternoon trade saw forward metal hold steady around the £7,130 level but towards the close a sharp fall in copper prompted selling of tin with forward metal finally £7,110 on the late kerb. Turnover: 1,060 tonnes.

Morning: Standard: three months £7,070, 80, 90, 7,100, 10, 20, 30, 35. High Grade: cash £7,300. Kerb: Standard: three months £7,130, 20. Afternoon: Standard: three months £7,120, 28, 30, 40. Kerb: Standard: three months £7,130, 40, 35, 30, 20, 7,100, 16.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7300-20	+110	7335-55	+210
3 months	7170-90	+75	7170-90	+155
Settlem't	7320	+110	—	......
Standard				
Cash	7230-40	+80	7245-55	+157
3 months	7140-50	+77.5	7135-40	+132
Settlem't	7240	+80	—	......
Straits. E.	‡$1923	......	—	......
New York	—	......		......

LEAD—Barely changed on balance, with the market mirroring the trend in copper. Forward metal opened around £522 and moved up to £530 in the afternoon before falling back to close at £524. Turnover: 7,100 tonnes.

Morning: cash £569, 64, 62, three months £527, 28.5, 28, 28.5, 30, 27, 28, 29, 28, 28.5, 28. Kerb: three months £529, 28. Afternoon: three months £527, 27.5, 27, 26. Kerb: cash £562, three months £527.5, 27, 26, 25, 24, 23.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	562-3	—5	560-2	+4.5
3 months	528-.5	—2.25	[illegible]	+2.25
Sett'ment	563	—5	—	......
U.S. Spot	—	......	*44	......

ZINC—Steady in quiet trading with forward metal moving between £391 and £396 before closing at £392.5 on the late kerb. Turnover: 4,850 tonnes.

Morning: cash £386, three months £395, 94, 93, 94, 97, 96, 95.5, 96. Kerb: three months £395. Afternoon: three *months £395, 96. Kerb: three months* £397, 96, 94.5.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+or —
	£	£	£	£
Cash	385.5-6	—5.5	385-6	+1
3 months	396-.5	—5.25	396-7	+1
S'ment	386	—5.5	—	......
Prim. west	—	......	*37.5	......

ALUMINIUM—Fell back reflecting the downturn in copper to close at £762 after being £770 in the morning rings before coming under general liquidation. Turnover: 3,650 tonnes.

Morning: Three months £767, 67.5, 68, 770, 69, 69.5, 69, 68. Afternoon: Cash £768, three months £768, 67, 66.5, 66, 67. Kerb: Three months £766, 67.5, 67, 66, 64, 62, 64, 65.

Aluminium	a.m. Official	+or —	p.m. Unofficial	+or —
	£	£	£	£
Spot	767-8	—15.5	766-7	—5
3 months	767-8	—11	767-8	—2.25

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 1.1p an ounce lower for spot delivery in the London bullion market yesterday at 359.3p. U.S. cent equivalents of the fixing *levels* were: spot 743.0c, down 3.1c; three-month 760.1c, down 3.1c; six-month 777.9c, down 2.9c; and 12-month 802.8c, down 5.4c. The metal opened at 359-360p (742-744c) and closed at 361½-362½p (747-749c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	359.3p	—1.1	361.65p	+2.95
3 months	368.7p	—1.1	371.1p	+2.7
6 months	377.35p	—1.15	—	......
12 months	390.2p	—2.8	—	......

LME—Turnover 142 (154) lots of 10,000 ozs. Morning: Three months 369, 9.3, 9.4, 9.5, 9.7. Kerb: Three months 369.7, 9.8. Afternoon: Three months 371, 1.5, 1.1, 71, 1.4, 1.2, 71. Kerb: Three months 371, 70.5, 70.2.

COCOA

Values traded down throughout the day in brisk conditions and closed at new lows, reported Gill and Duffus.

Sales: 3,758 (2,269) lots of 15 tonnes.

COCOA	Yesterday's Close	+ or —	Business Done
May	1627.0-28.0	—27.5	1647.0-26.0
July	1600.0-02.0	—29.5	1625.0-1598
Sept	1655.0-54.0	—24.0	1652.0-50.0
Dec	1705.0-10.0	—13.5	1720.0-00.0
March	1738.0-39.0	—17.0	1750.0-35.0
May	1760.0-70.0	—18.5	1760.0
July	1760.0-1800	—26.0	1765.0

International Cocoa Organisation (U.S. cents per pound): Daily price April 2 149.28 (149.79). Indicator prices for April 3 15-day average 151.91 (152.53): 22-day average 153.56 (154.05).

COFFEE

ROBUSTAS opened sharply higher, mainly influenced by a rather disappointing New York performance, reports Drexel Burnham Lambert. In the afternoon prices fluctuated in a narrow range as the market maintained a steady tone throughout and some late buying sparked a rally. Shield pushed prices to around the highs of the day. Values finished 28 to 49.5 up from Monday's closing levels.

Although some traders on the London terminal market were sceptical about the reports of shortages from Central American producers, the news still helped to push prices up to recover some of the ground lost on Monday.

The market was also boosted by steadiness in New York, and July coffee closed £49.5 a tonne higher at £1,486.5.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1471-1474	+33.5	1476-1460
July	1485-1486	+49.5	1489-1460
September	1504-1505	+48.0	1508-1486
November	1512-1513	+46.5	1518-1495
January	1520-1522	+47.5	1525-1500
March	1512-1513	+42.0	1515-1496
May	1501-1509	+28.0	1510-1494

Sales: 5,339 (7,197) lots of 5 tonnes.

ICO Indicator prices for April 2 (U.S. *cents per pound*): Colombian Mild Arabicas 135.00 (137.50); unwashed Arabicas 144.00 (same); Robustas ICA 1968 137.50 (138.00); Robustas ICA 1976 138.50 (138.00); other Mild Arabicas 132.00 (134.67). Composite daily average 133.47 (133.22).

GRAINS

LONDON FUTURES (GAFTA)—Grains opened unchanged in featureless trading conditions. Old crops remained steady through the session to close 5p up on barley to 20p higher on wheat in thin volume. New crops saw some selling pressure and values eased slightly to close 15-45p down on wheat and 20-40 down on barley. Acli reported. HGCA—Location ex farm spot prices. Feed barley: N.E. England 94.00, Berks and Oxon 94.50.

The UK monetary coefficient for the week beginning April 9 (based on HGCA calculations) is expected to decrease to 1.230.

M'nth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
May	100.60	+0.5	96.55	+0.85
Sept.	92.90	—0.15	86.70	+0.20
Nov.	95.80	—0.35	89.95	—0.25
Jan.	99.40	—0.25	93.60	—0.20
Mar.	102.50	—0.45	96.55	—0.40

*Business done—Wheat: May 100.60-*100.35, Sept. 93.00-92.90, Nov. 96.15-95.80, Jan. 99.65-99.60, March 102.75-102.75. Sales: 92. Barley: May 96.80-96.50, Sept. 86.95-86.70, Nov. 90.00-89.90, Jan. 93.80-93.70, March 96.85-96.65. Sales: 52.

EEC IMPORT LEVIES—The following EEC levies and premiums are effective for April 4 in order of current levy plus May, June and July premiums (with previous in brackets) all in units of account per tonne. Common wheat: 88.99, 3.19, 3.19, 4.72 (88.99, 3.01, 3.01, 4.53). Durum wheat: 134.78, rest nil (134.78, rest nil). Rye: 88.99, 0.30, 0.30, 0.30 (88.99, 0.61, 0.61, 0.61). Barley: 91.86, 0.18, 0.18, 0.18 (91.86, 0.18, 0.18, 0.18). Oats: 87.94, rest nil (87.94, rest nil). Maize (other than hybrid for seeding): 79.29, nil, nil, 0.38 (79.25, nil, nil, 0.38). Buckwheat: 3.25, rest nil (3.25, rest nil). Millet: 81.88, rest nil (81.88, rest nil). Grain sorghum: 87.86, rest nil (87.96, rest nil). Flour levies: Wheat or mixed wheat and rye *flour*: 136.51 (136.51). *Rye flour*: 138.50 (138.50).

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent April/May 81.75, May 80.75, June 79.50, transhipment East Coast. U.S. Hard Winter 13½ per cent unquoted. EEC unquoted. Maize: U.S./French April 110.25, May 111.25, transhipment East Coast. South African White unquoted. South African Yellow May 77.00, nominal. Barley: English feed f.o.b. April 97.50, April/June 98.50, Oct./Dec. 92.25, Jan./March 97.50 East Coast.

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron contract: May 410.0, 411.0, 410.0-405.0, 46; July 419.0, 420.0, 421.0-415.0, 67; Oct. 410.0, 412.0, 412.5-406.0, 68; Dec. 410.5, 411.5, 412.0-406.5, 58; March 412.5, 413.0, 414.3-409.0, 37; May 412.0, 415.0, 415.0-410.0, 17; July 415.0, 416.0, 417.0-412.0, 11; Oct. 419.0, 422.0, 420.0-419.0, 4. Sales: 308.

LONDON GREASY—Close (in order seller, buyer). May 245, 240; July 253, 247; Oct. 255, 250; Dec. 255, 250; March 255, 250; May 255, 250; July 255, 250; Oct. 255, 250. Sales: nil.

NEW ZEALAND CROSSBREDS—Close (in order seller, buyer). May 202, 199; July 208, 202; Oct. 207, 205; Dec. 211, 207; March 213, 207; May 213, 207; July 213, 207; Oct. 213, 207. Sales: nil.

RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing uncertain. Lewis and Peat reported a Malaysian godown price of 269 (271) cents a kilo (buyer, April).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
May	61.10-61.40	63.65-63.40	61.90-61.10
June	62.00-62.95	64.15-64.20	62.80-62.05
Jy-Sept.	63.15-63.25	65.10-65.15	65.00-63.15
Oct-Dec	64.50-64.55	66.40-66.45	66.15-64.50
Jan-Mar	66.20-66.25	67.60-67.65	67.00-66.05
Apr-Jne	67.90-68.00	69.15-69.50	68.50-68.15
Jy-Sept.	69.75-69.80	71.10-71.15	70.20-69.75
Oct-Dec	71.50-71.55	72.70-72.80	72.00-71.50
Jan-Mar	73.35-73.40	74.50-74.80	73.80-73.35

Sales: 702 (283) lots of 15 tonnes, 44 (70) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 60p (62.5); May 62.25p (63.25); June 62.25p (63.75).

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
April	118.80-21.0	+1.8	—
June	125.40-25.5	+1.3	127.00-126.10
August	127.80-27.2	+1.65	127.00-127.00
October	125.10-26.0	+1.5	—
December	124.40-25.0	—0.75	125.00-124.80
February	125.50-26.5	—0.65	—
April	129.50-28.0	+0.5	128.00

Sales: 146 (115) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £99.00 (£101.00) a tonne cif for March-*April shipment. White sugar daily price* was fixed at £101.50 (£102.50).

The market was contained within a narrow range throughout the day with prices showing little reaction to reports that India had sold six cargoes into the second hand on pricing terms related to the LDP, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	103.90-04.00	105.50-05.10	106.00-03.50
Aug	107.75-07.85	108.90-08.95	108.80-07.35
Oct.	110.50-10.55	111.65-11.75	111.75-10.50
Dec.	113.75-13.80	114.50-14.65	114.25-13.50
March	117.85-17.85	118.75-18.80	118.00-17.50
May	120.35-20.40	121.80-21.25	120.75-20.00
Aug	123.50-25.90	124.00-24.50	123.75-23.50

Sales: 2,267 (3,002) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade *and £168.00 (£170.00) for export.*

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for April 2, Daily 8.30 (8.48); 15-day average 8.46 (8.48).

WHITE SUGAR—Close (in order buyer, seller, business, sales): July 104.50, 105.50, 105.24-104.25, 45; Sept. 110.25, 110.30, 110.75-109.90, 95; Nov. 113.70, 113.85, 114.00-113.60, 31; Feb. 121.00, 121.25, 121.50-121.25, 6; April 125.30, 125.75, 125.50-125.00, 4; July 128.50, 132.00, nil, nil; Sept. 131.50, 136.00, nil, nil. Sales: 181.

★

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 83 tonnes bringing the total for the week so far to 347 tonnes. Minor purchases occurred in American-type qualities, but users were apprehensive about price trends. As a result the call for supplies was only spasmodic.

★

HIDES. Birmingham: Continues to weaken. Second clear Ox 31/35.5 kilos, 95p a kilo (withdrawn 99p); Ox 26/30.5 kilos, 103.3p (108.5); Ox 22/25.5 kilos, 107p (118.5). Light cows 106p (113.0).

★

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side *(unprocessed) per stone: Shelf cod* £4.20-£5.20, codlings £2.50-£3.80; large haddock £4.00-£4.40, medium £3.40-£4.40, small £2.60-£3.30; large plaice £3.30, medium £4.00, best small £4.00-£4.60; medium skinned dogfish £10.00; large lemon soles £9.50, medium £8.50; saithe £3.30-£3.80.

PRICE CHANGES

In tonnes unless otherwise stated.

	Apr. 3 1979	+ or —	Month ago
Metals			
Aluminium	£710	......	£710
Free Mkt (cif)	$1,580-600	......	$1,475/95
Copper			
Cash w'bar	£1015.5	—3.0	£986.25
3 mth	£1022.5	—4.25	£1,000.5
Cash Cathode	£1017	+2.5	£97.5
3 mth	£1018	—3.5	£993.25
Gold troy oz	$240.625	+1.0	$239.25
Lead cash	£561	+4.5	£552
3 mth	£526.25	+2.25	£524
Nickel	£2480.56	......	£2,580.69
Freemkt (cif)(lb)	245/60c	......	$210/25c
Platin'm tr'y oz	£155	......	£164.5
Free mkt	£189.35	+0.35	£193.0
Quicksil'ver	$257/62	......	$250/40
Silver troy oz	359.3p	—1.1	355.15p
3 months	368.7p	—1.1	374.2p
Tin cash	£7,250	+157.5	£7,280
3 mths	£7,137.5	+132.5	£7,022.5
Tungsten	$137.32	—0.18	$134.1
Wolfrm 22.04 cif	$133/38	......	$142/49
Zinc cash	£385.5	......	£384.5
3 months	£396.5	+1.0	£395.5
Producers	$800	......	$800
Oils			
Coconut (Phil.)	$1,017.5p	—2.5	$1,000
Groundnut	‡	......	‡
Linseed Crude	£432	......	£392
Palm Malayan	$660x	......	$670
Seeds			
Copra Philip	$685s	......	$670
Soyabean (U.S.)	$313.2	......	$310.4
Grains			
Barley Futures	£96.7	—0.2	£96
Maize			
French No 3 Am	£110.25	......	£110
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	£89.25
Eng. Milling t	£101.5	......	£98
Other commodities			
Cocoa ship't	£1,663	—33.0	£1,755
Future July	£1,601	—28.5	£1,722
CoffeeFt'r July	£1,485.5	+49.5	£1,423
Cotton A'index	73.5c*	—0.35	75.15c
Rubber kilo	60p	—2.0	59.75p
Sugar (Raw)	£99	—2.0	£102
Wooltp's 64s kl	291p	......	285p

* Nominal. † New crop. ‡ Unquoted. *p* April-May. *q* May-June. *r*-May. *s* June-July. ' April-June. *u* June. *x*-Per ton. *z*-Indicator. § Buyer.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: *Scotch killed sides 54.0 to 58.0; Eire* hindquarters 66.0 to 69.0, forequarters 34.0 to 38.0.

Veal: English Fats 56.0 to 74.0; Dutch hinds and ends 88.0 to 92.0.

Lamb: English small (new season) 90.0 to 100.0. Imported frozen: PL (new season) 48.5 to 49.5, PM (new season) 47.5 to 48.5.

Hoggets: English 36.0 to 72.0; Scotch 36.0 to 72.0.

Pork: English under 100 lbs 36.0 to 45.0, 100-120lbs 35.5 to 43.5, 120-160 lbs 34.0 to 42.0.

MEAT COMMISSION—Average fatstock *prices* at representative markets on April 3. GB cattle 73.14p per kg. l.w. (+0.35). UK sheep 172.9p per kg. est. dcw. (+8.5). GB pigs 59.3p per kg. l.w. (+0.3). England and Wales: Cattle numbers up 8.3 per cent, average price 73.35p (+0.58). Sheep numbers down 19.8 per cent, average price 175.6p (+9.7). Pig numbers down 1.0 per cent, average price 59.1p (+0.5). Scotland: Cattle numbers down 15.1 *per cent, average price 72.49p (−0.38).* Sheep numbers up 0.2 per cent, average price 154.0p (+2.8). Pig numbers down 12.6 per cent, average price 61.3p (−0.7).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: Navels 3.00-3.20, Bloods 3.00-3.10; Israeli: Shamouti 4.40-5.40; Cyprus: 3.30-4.20; Moroccan: Valencia Lates 3.70-3.80. Lemons—Italian: 120's 5.00; Cyprus: Trays 3.40-4.30, Cartons 126/180's 4.00-6.00; Spania: Trays 30/40/45 2.40-2.50, boxes 4.80-5.40. Grapefruit: Cyprus: 2.50-4.20; Israeli: Jaffa 27/88 3.45-4.25. Apples—S. *African: Dunn's 6.00-6.20,* Golden Delicious 7.00, Starking 9.00; French: Golden Delicious (40-lb) 138/175's 3.30-4.40, (20-lb) 72's 2.10-2.20, 84's 1.70-1.90; Granny Smith (40-lb) 138/163 4.80-6.30, (20-lb) 72's 3.80, 84's 2.40, (jumble pack) per pound 0.08-0.10. Starkrimson (40-lb) 138/198's 4.00-5.20, (20-lb) 84's 1.80-2.00, 72's 2.00-2.20, (jumble pack) per pound 0.08-0.10; Starking (40-lb) 150/175's 3.60-5.00; Italian: Granny Smith per pound 0.10-0.11; Washington: Red *Delicious 40-lb 10.00-11.00; Canadian:* Starking 7.40-8.40. Pears—Per pound, Italian: Passacrassane 0.14; S. African: Williams Bon Chretien 7.00, Beurre Hardy 5.60-5.80; Chilean: Anjous 7.50-8.00.

English Produce: Potatoes—Per 25-kg 1.70-2.20. Lettuce—Per 12 round 1.60-1.80. Mushrooms—Per pound 0.40-0.50. Apples—Per pound Bramley 0.05-0.10; Cox's Orange Pippin 0.07-0.16; Laxtons 0.04-0.06. Pears—Per pound Conference 0.12-0.17. Beetroot—Per *28-lb 0.80-0.90.* Carrots—Per 28-lb 1.30-1.60. Onions—Per 28-lb 1.80-2.80. Rhubarb—Per pound 0.16-0.22. Swedes—Per 28-lb 0.90-1.00. Turnips—Per 28-lb 1.50-1.60. Parsnips—Per 28-lb 1.20-1.40. Sprouts—Per pound 0.20-0.22. Cucumbers—Tray 12/18's 2.60-3.00. Tomatoes—Per pound 0.46-0.52.

AMERICAN MARKETS

NEW YORK, April 2.

Cocoa—May 141.55 (142.65), July 144.30 (145.60), Sept. 146.50, Dec. 150.65, March 153.05, May 154.50, July 155.90. Sales: 968.

Coffee—"C" Contract: May 134.00-147.50 (137.49), July 136.78-137.28 (140.78), Sept. 140.60-140.75, Dec. 141.50, March 140.95-141.50, May 141.00, July nil. Sales: 1,313.

Copper—April 91.35 (93.90), May 92.10 (94.60), June 92.40, July 92.65, Sept. 92.70, Dec. 92.80, Jan. 92.80, March 92.75, May 92.70, July 92.65, Sept. 92.60, Dec. 92.50, Jan. 92.45.

Cotton—No. 2: May 59.10-59.19 (59.67), July 61.30-61.40 (61.95), Oct. 62.90-62.95, Dec. 63.35-63.40, March 64.55-64.75, *May 65.70-66.00, July 66.55-*67.00. Sales: 3,250.

*Gold—April 239.60 (239.50). May 241.70 (241.60), June 243.80, Aug. 248.00, Oct. 252.20, Dec. 256.50, Feb. 260.80, April 265.10, June 269.50, Aug. 273.90, Oct. 278.30, Dec. 282.70, Feb. 287.10.

This edition went to press before the latest U.S. market reports were received.

*Platinum — April 384.50-387.30 (385.50), May 386.90-387.10 (386.50), June 387.10-387.30, July 385.30-387.30, Oct. 387.50, *Jan. 389.80-390.00 asked,* April 391.30-391.50, July 393.10-393.30, Oct. 395.10-395.30. Sales: 1,637.

Potatoes (round whites)—Nov. 62.7-63.0 (62.2), March 69.7-70.0 (6.82), April unquoted, May 82.7-83.0. Sales: 55.

¶Silver—April 748.00 (745.10), May 752.10 (751.10), June 756.80, July 761.60, Sept. 771.10, Dec. 785.00, Jan. 789.40, March 798.70, May 808.00, July 817.40, Sept. 826.80, Dec. 841.10, Jan. 846.70.

Sugar—No. 11: May 8.34, July 8.57, Sept. 8.76, Oct. 8.88, Jan. 9.15, March 9.54, May 9.74, July 9.94, Sept. unquoted.

Tin—590.00-605.00 nom.

CHICAGO, April 2.

Lard—Chicago loose 29.75. New York price steam 31.25 traded.

Live Cattle—April 73.05-73.00 (72.70), June 71.90-71.80 (71.35), Aug. 69.60-69.75, Oct. 67.60-67.65, Dec. 68.02-68.10, Jan. 67.90, Feb. 68.62, April 68.80 asked, June 70.15 bid, Aug. 69.95 bid. Sales: 25,505.

Live Hogs—April 46.10-46.05 (45.67), June 48.50-48.35 (48.00), July 48.85-48.80, Aug. 45.95-45.85, Oct. 43.40-43.50, Dec. 44.15-44.20, Feb. 43.70, April 41.80, June 43.05 asked. Sales: 6,784.

‡‡Maize—May 252-251¼ (251½), July 255¾-255½ (254¾), Sept. 259-259¾, Dec. 264½-265, March 273¾-273½, May 279¾-280.

Plywood—May 201.9 (201.2), July 203.9-204.0 (202.5), Sept. 202.6, Nov. 202.0, Jan. 202.0-203.0, March 204.0 nom., May 205.5 nom.

Pork Bellies — May 55.90-56.00 (55.35), July 55.65-55.45 (54.90), Aug. 53.70-53.55, Feb. 51.10, March 50.60 bid. Sales: 4,153.

Shell Eggs—April 54.50 (52.50), May 52.35 (51.65), June 53.50, Sept. 60.75-60.50 asked, Nov. 61.60, Dec. 63.20. Sales: 213.

Silver—April 745.0-745.5 (744.1), May 752.0 (750.3), June 757.5-750.5, August 768.0, Oct. 777.0, Dec. 786.5, Feb. 795.5, April 805.0, June 814.5, August 824.0, Oct. 834.0, Dec. 844.0, Feb. 854.0, April 864.0, June 874.0, August 884.5 nom., Oct. 895.0 nom., Dec. 906.0 nom.

‡Soyabeans—May 763½-762½ (771¼), *July* 772-771 (778½), August 765-765½, Sept. 738, Nov. 703½-704, Jan. 713, March 723, May 730½.

‖Soybean Meal—May 200.50-200.40 (202.20), July 203.50-203.70 (205.50), August 203.50-203.40, Sept. 200.30-200.00, Oct. 195.30-195.00, Dec. 194.50-194.00, Jan. 195.00-194.80, March 196.90.

Soyabean Oil — May 27.30-27.35 (27.57), July 27.45-27.48 (26.67), August 27.30-27.20, Sept. 26.55-26.50, Oct. 25.75-25.70, Dec. 25.40-25.35, Jan. 25.25, March 25.25-25.15, May 25.00-25.10 bid, July 25.00.

‡Wheat—May 334-334½ (339½), July 322½-321½ (323½), Sept. 325½, Dec. 335¾, March 344½.

WINNIPEG, April 2: §Rye 106.80 bid (106.70), July 105.20 asked (104.60), Oct. 104.50 asked, Dec 104.10 bid.

§Barley — May 82.60 asked-82.70 *(82.50 bid), July 82.70 (82.00 asked),* Oct. 85.60 asked, Dec. 85.10 asked.

§Oats—May 81.70 bid (81.00 bid), July 79.90 asked (79.90 bid), Oct. 82.90 asked, Dec. 82.30 bid.

§Flaxseed—May 341.00 bid (343.0), *July 334.50 bid (333.10 asked), Oct.* 322.00, Nov. 316.00 asked, Dec. 312.50 asked.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, April 3.

U.S. No. 2 Dark Hard Winter wheat 13.5 per cent. April $151, May $151, June $150, July $147, Aug $148, Sept. $149. U.S. Hard Winter wheat ordinary not offered. U.S. No. 2 Red Winter wheat June $146, July $143, Aug. $144, Sept. $145. U.S. No. 2 Northern Spring wheat 14 per cent. May $150.50, June $147.50, July $146.50, Aug. $146.50, Sept. $146.50.

Maize: U.S. No. 3 Corn Yellow AFL $128, March $128, April $126.50, May $126, June $124.50, July-Sept. $125, Oct.-Dec. $135.75, Jan.-March $132.75.

Soyabeans: U.S. Two Yellow Gulfports afloat March $307.75, April $307.75, May $308.25, June-July $310, Aug. $309.75, Sept. $306.50, Oct. $283, Nov. 281.25, Dec. $285.25, Jan. $288.50, Feb. $292, March $292.50, sellers March 1980 $292 paid. Brazil Yellow FAQ unquoted, U.S.-Brazil unquoted, Lakes unquoted, Argentine June-July $288.50 quiet.

Soyameal: U.S. AFL $243, March-April-May $243, April-Sept. $243, Nov.-March $239, Brazil pellets AFL $246, traded AFL $246, April-May $247, April-Sept. $248, Nov.-March $249.50 sellers.

PARIS, April 3.

Cocoa (FFr per 100 kilos). May 1425-1429, July 1425-1455, Sept. 1450-1470, *Dec.* 1480-1490, *March* 1490-1515, May 1500-1525. Sales at call two. Accumulative total 69.

Sugar (FFr per 100 kilos). May 895-900, July 915-918, Aug. 936-943, Oct. 981-983, Nov. 975-985, Dec. 1010-1017, March 1050-1065, May 1065-1085. Sales at call nil.

INDICES

FINANCIAL TIMES

Apr. 2	Mar. 30	M'nth ago	Year ago
270.60	268.83	270.75	235.01

(Base: July 1, 1952=100)

MOODY'S

Apr. 2	Mar. 30	M'nth ago	Year ago
1047.7	1047.1	1027.4	906.7

(December 31, 1931=100)

DOW JONES

Dow Jones	Apr. 2	Mar. 30	Month ago	Year ago
Spot	375.55	378.09	375.23	361.16
F'tur's	384.28	387.09	372.55	347.84

(Average 1924-25-26=100)

REUTERS

Apr. 3	Apr. 2	M'nth ago	Year ago
1554.3	1556.3	1546.9	1428.3

(Base: September 18, 1931=100)

Markets drift lower on further small profit-taking

Equity index closes 6.9 down at 525.3 and Gilts lose $\frac{5}{8}$

Account Dealing Dates
Option

*First Dealings	Declara-tions	Last Dealings	Account Day
Mar. 26	Apr. 5	Apr. 6	Apr. 18
Apr. 9	Apr. 19	Apr. 20	May 1
Apr. 23	May 3	May 4	May 15

* "New time" dealings may take place from 9.30 am two business days earlier.

With institutional buyers unwilling to commit their funds awaiting Mr. Healey's financial holding proposals, stock markets yesterday went into a general decline. Equities were just as vulnerable as Government stocks with both sectors sustaining light profit-taking from holders showing last-minute nerves in front of the Chancellor's statement.

Gilt-edged securities were particularly unreceptive to selling and, after staging abortive attempts to rally, settled some ⅝ down at the day's lowest. Little was seen of any further overseas interest and domestic operators seemed prepared to wait on events, especially in regards the much-mooted possibility of a reduction in Minimum Lending Rate.

Some dealers in leading industrials were initially hopeful that institutional inquiry could revive after the recent lull, but these expectations were not fulfilled. Their views resulted in an early mark-up of leading shares and the tone, looking firm at the start, broke after an hour or so of business with the reactionary tendency becoming more pronounced in the afternoon.

The announcement of the financial measures soon after 4.30 pm brought no reaction either way in markets although the absence of a cut in MLR—it could still be made in the normal way at 12.30 pm tomorrow—occasioned jobbers to widen dealing margins for British Funds which remained at their official closing levels. Bed and breakfast deals in equities as well as tax-loss selling tended to subside but the number of official markings rose to 7,630 as against 5,885 on Monday.

Yesterday's fluctuations in leading shares was measured by a turnround of over 8 points in the FT 30-share index, which registered a rise of 1.3 at the first calculation and ended showing a net fall of 6.9 at 525.3, the day's lowest; falls in the index constituents rarely exceeded fourpence.

A less eventful day in investment currency markets saw rates harden initially but react later on renewed selling. Buyers were not very responsive awaiting the Chancellor's statement and the premium closed near the day's lowest at 55¼ per cent for a fresh loss of 1¾ points. Yesterday's SE conversion factor was 0.8029 (0.7918).

Business in Traded Options was heavier than on Monday but the number of contracts was well below last week's record levels. Trades completed amounted to 1,263 against the previous day's 1,016. Marks and Spencer were again active with 298 deals, while Boots, 148, and Imps, 136, were also lively.

Banks easier

Home banks drifted lower on lack of support. NatWest declined 6 to 352p, while Lloyds, 335p, and Midland, 415p, reacted 5 apiece. Bank of Scotland touched 352p in response to the satisfactory results and property revaluation before closing unchanged on balance at 347p. Still reflecting last week's decision to sever the punt's links with sterling, Allied Irish gave up 4 afresh to 200p, while investment currency influences brought about falls of 8 and 3¾ points respectively in Hong Kong and Shanghai, 149p, and Deutsche, £86¾.

Among quietly dull Insurances, Sun Alliance relinquished 9 to 571p in front of today's annual results.

Steady to a shade firmer at the outset, leading Building issues subsequently turned easier and usually closed marginally lower on balance. Ahead of tomorrow's annual results, London Brick relinquished 1½ to 75½p, and F. J. C. Lilley 3 to 86p. By contrast, small interest in limited markets lifted Brown and Jackson 8 to 438p and James Latham 5 to 167p.

ICI drifted lower to close 4 cheaper at 396p, but Fisons rallied to be unchanged at 312p, after 308p. Elsewhere, sharply higher interim profits left James Halstead 2 to the good at 43p.

Harris Queensway sold

Harris Queensway became a prominent weak feature in Stores, profit-taking ahead of the forthcoming results bringing about a fall of 20 to 232p. Bambers, however, continued to draw strength from the recent good results, proposed scrip-issue and ensuing Press comment and closed 12 higher at 250p. John Michael added 3 to 28p and MFI rallied 5 to 345p. With the exception of Gussies A, which hardened 2 to 418p,

The electrical leaders passed a rather subdued trading session. Sporadic selling and lack of support left GEC 6 cheaper at 406p, while EMI closed 3 off at 121p and Plessey 2 down at 108p. Among secondary stocks, BSR, down 4 at 65p, became unsettled by the warning on profit margins, while trading statements failed to benefit Highland Electronics, 73p, and Bulgin A, 34p, down 2 and a penny respectively. United Scientific encountered selling and gave up 7 to 251p, but AB Electronic continued to reflect the good interim results and put on 4 more to 212p, while Pye Holdings rallied further to 112p before settling at 109p for a rise of 7 on the day. On the other hand, Electronic Rentals eased 6 to 218p.

Occasional offerings and the absence of support made for quietly dull conditions in the Engineering leaders. John Brown drifted off to close 10 cheaper at 535p, while GKN gave up 4 to 261p awaiting tomorrow's preliminary results. Tubes were also 4 lower, at 396p, while Hawker, 252p, and Vickers, 190p, also shaded a few pence.

In Foods, small scrappy selling left Cadbury Schweppes 2 cheaper at 55½p. Lack of interest saw Avana drift down to 87p before a late rally left the price a net 3 cheaper on balance at 91p. By contrast, G. F. Lovell added 4 for a two-day gain of 8 to 72p in response to the annual results.

In Hotels, M. F. North added 3 for a two-day rise of 7 to 48p in response to an investment recommendation and, still buoyed by Press comment, Norfolk Capital firmed 3 for a two-day gain of 12 to 54p.

Ofrex firm

Awaiting the Chancellor's mini-Budget, the miscellaneous Industrial leaders drifted lower. Second-thoughts about the annual results prompted a reaction of 13 to 507p in Reckitt and Colman, while Beecham eased 10 to 710p, Pilkington declined 8 to 357p and Glaxo 7 to 583p. Scottish and Universal Investments, on the other hand, firmed 3 to 200p awaiting further developments in the bid situation. Elsewhere, still reflecting the bumper profits and proposed 200 per cent scrip-issue, Magnolia jumped 20 more to 215p, while Ofrex gained 7 to 142p on buying ahead of tomorrow's results. Comment on the record profits lifted Low and Bonar 8 to 210p and Elliott Group of Peterborough hardened 2 to 28p on the announcement that Pentos has increased its stake to just over 10 per cent. Renewed demand in a thin market helped BB and EA improve 3 for a two-day rise of 17 to 88p, while Sandhurst Marketing added a similar amount to 44p. The slightly disappointing annual results prompted a reaction of 10 to 90p in Black and Edgington, but fresh speculative demand lifted Management Agency and Music 5 to 153p.

In a marked absence of buying interest, Motors and kindred issues closed slightly easier but F. G. Gates moved against the trend with a rise of 4 to 60p.

Continued pressure on the Irish punt left Jefferson Smurfitt 11 off at 175p. Reduced profits from Harrison and Sons came as no surprise and the shares held steady at the overnight level of 70p.

Already easier on receding hopes of an early cut in Minimum Lending Rate, Properties took a distinct turn for the worse in late dealings after the Chancellor's exclusion of the topic from his mini-Budget proposals. British Land finished 3 cheaper at 71p, as did MEPC, at 181p, while Great Portland Estates and Haslemere both eased 4 to 274p and 288p respectively.

Oils lack support

The Oil leaders started on a firm note, but initial gains were gradually eroded in the absence of follow-through support and final quotations were little altered on balance. British Petroleum touched a fresh peak of 1,198p before settling a net 2 off at 1,182, while Shell finished unaltered at 760p, after 768p. Dollar premium influences left Royal Dutch ¼ lower at £41. Among the more speculative issues, Tricentrol gave up 6 to 196p, while Burmah moved between extremes of 116p and 122p before closing 3 off on the day at 118p.

Further consideration of the preliminary results prompted a turn-round in Ocean Transport, which, at 100p, lost the previous day's gain of 4. Other Shippings also displayed an easier trend, P and O Deferred losing 3 to 80½p and Furness Withy 8 to 238p, but Common Bros provided a bright spot at 220p, up 6. Elsewhere, speculative demand lifted Hunting Gibson 14 to 167p.

Textiles traded quietly and ended with little alteration on the overnight levels, but, following last week's interim statement, Radley Fashion added 3 for a two-day gain of 5 at 65p.

The rising value of sterling tended to unsettle large dollar-earner Bats, both Ordinary and Deferred easing 4 to 316p and 304p respectively.

Among South African Industrials, Abercom fell 7 to 108p following the announcement of a R10.2m rights issue.

In Plantations, support was forthcoming for selected secondary counters with the Evans group of companies outstanding; Bertams added 7 to 165p, while Jitra put on 6 at 153p. Renewed bid hopes lifted London Sumatra 10 to 270p, while Harrisons Malaysian Estates, 136p, and Anglo-Indonesian, 115p firmed 4 and 5 respectively.

Tanks lose ground

London-registered Financials held the limelight in an otherwise drab mining market. After opening quietly firm prices came under light selling pressure prompted by the downturn in UK equities.

Tanks were additionally burdened by news that Union Miniere had cut its dividend to BFr 400 from BFr 500. Tanks, which has a 17.6 per cent stake in Union Miniere, fell 7 to 183p, while Union Miniere dropped £1½ to £16¼.

Gold Fields fell 5 to 219p in front of today's half-year figures as profit-taking set in after the recently attained 1979 high.

South African Golds remained out of favour despite the continuing steadiness of the bullion price. Activity stayed at minimal levels and prices slipped back causing a further 3.3 fall in the Gold Mines index to 149.1 and a 1.0 loss in the ex-premium index to 119.7.

Among heavyweight Golds, Randfontein gave up almost a point at a 1979 low of £25¼, while losses of ½ were common to Hartebeest, £12¼, and Vaal Reefs, £14. Stilfontein dropped 15 to 332p following publication of the annual report.

In an uncertain Australian market, Poseidoncontinental rallied 25 to 725p, after 750p, as overnight Australian buying more than offset American selling which reflected continuing nervousness over the Pennsylvania nuclear power station accident.

FINANCIAL TIMES STOCK INDICES

	April 3	April 2	March 30	March 29	March 28	March 27	A year ago
Government Secs.	75.21	75.68	75.28	75.34	74.30	74.15	73.84
Fixed Interest	76.25	76.30	76.00	75.26	75.22	74.41	77.22
Industrial	525.3	532.2	530.8	540.8	538.3	539.2	467.8
Gold Mines	149.1	152.4	154.9	152.3	156.9	159.7	156.1
Gold Mines (Ex-$ pm)	119.7	120.7	121.1	124.0	125.6	123.5	107.7
Ord. Div. Yield	5.39	5.34	5.35	5.27	5.30	5.30	5.79
Earnings, Yld. % (full)	14.31	14.16	14.21	14.01	14.09	14.11	17.01
P/E Ratio (net) (*)	8.91	9.00	8.97	9.09	9.04	9.03	8.25
Dealings marked	7,630	5,885	8,517	8,137	9,554	7,834	5,414
Equity turnover £m.	—	104.05	166.29	300.38	163.67	167.34	76.39
Equity bargains total	—	27,970	39,701	42,306	32,808	36,256	22,623

10 am 533.5. 11 am 533.5. Noon 529.7. 1 pm 528.4. 2 pm 528.6. 3 pm 525.2.
Latest Index 01-246 8026.
*Nil = 8.57.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.68 (2/4)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	76.30 (2/4)	66.03 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	540.8 (29/3)	446.1 (12/2)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	165.8 (6/2)	136.2 (10/1)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	125.6 (28/3)	95.2 (12/1)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	April 3	April 2
—Daily		
Gilt Edged	104.9	103.6
Industrials	283.2	222.3
Speculative	41.4	36.4
Totals	173.7	133.9
5-d'y Av'r'ge		
Gilt Edged	114.9	112.7
Industrials	302.6	306.6
Speculative	40.6	41.3
Totals	161.3	162.2

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
BP	£1	20	1182	−2	1198	720
Shell Transport	25p	18	760	—	774	556
GEC	25p	17	406	−6	420	311
Beecham	25p	16	710	−10	733	592
Grand Met.	50p	15	159	−2	161	112
Burmah Oil	£1	14	118	−3	122	82
Gus A	25p	13	418	+2	418	358
ICI	£1	11	396	−4	406	346
Marks & Spencer	25p	11	111	−3	117	85
BATs Dfd.	25p	10	304	−4	337	250
Distillers	50p	10	246	—	252	196
Glaxo	50p	10	583	−7	600	462
Unilever	25p	10	650	—	682	520
British Land	25p	9	71	−3	76	42
Commercial U.	25p	9	167	−3	177	130

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (72)

COMMONWEALTH AND AFRICAN LOANS (6) — NZ 6pc 76-80; Do. 7½pc ADb.; Do. 7½pc 83-86; Do. 8½pc 81-84; FFI 14pc 1978; ICFC 6½pc Db. 81-84; Do. 8¾pc Db.; Do. 8¼pc Db. 82-87
CANADIANS (1) — Can. Pac. 4pcDb.
BANKS (1) — Bk. of Scotland
BEERS (2) — Bass; Border Brews.
BUILDINGS (5) — Latham (J.); May and Hassell; M'anchester and Sthrns.; Vectis Stone; Manders
CHEMICALS (3) — Halstead (J.); Hickson and Welch; ICI 5pcPf.
STORES (2) — Bambers; Michael (J.)
ELECTRICALS (2) — BICC; [illegible]
ENGINEERING (2) — Eva Inds.; Wellman Eng.
FOODS (1) — Lovell (G. F.)
HOTELS (2) — Norfolk Cap.; North (M. F.)
INDUSTRIALS (16) — BB and EA; Brit. Cinema; Clarke (Clement); Dwek; Elliott (P'borough); Hickson and Welch Hill (C.); James (M.); Johnson Matthey; Leigh-Mardon; Low and Bonar; Macfarlane; Magnolia Grp.; Ofrex; Ryan (L.); Sandhurst Mktg.
MOTORS (2) — Davis (Godfrey); Dutton-Forshaw; Gates (F. G.)
NEWSPAPERS (2) — Daily Mail A; Fleet Paul
PROPERTY (3) — Walmoughs; Lon. Prov. Shop; Commer. Bros.
SHIPPING (1) — [illegible]
TEXTILES (1) — Radley Fashion
TRUSTS (7) — Channel Isles Cap.; Drayton Inv.; Deb. Cap.; Funcinvest; New Throg. Inc.; Throgmorton Cmtn
OILS (2) — BP; Clyde Pet.
RUBBERS (2) — Bertam Cons.; Guthrie Cpn.
TEAS (5) — Assam Frontier; Assam Invs.; Empire Plants.; McLeod Russel; Williamson
MINES (2) — E. Rand Cons.; Goonse Cons.

NEW LOWS (69)

[illegible]

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Apr. 3	Apr. 17	Jun. 28	Jul. 10
Apr. 18	Apr. 30	Jul. 12	Jul. 24
May 1	May 14	Jul. 26	Aug. 7

For rate indications see end of Share Information Service.

Money was given for the call in Marks and Spencer, EMI, British Car Auction, Sandhurst Marketing, Associated Leisure, Charterhall, British Land, KCA, Selcast, Western Mining, Cons. Gold Fields, Country and New Town, Premier Oil, Trust Houses Forte Warrants, Talbex, Jacksons Bourne End, Coral Leisure, Woolworths, Lonrho, GKN, Burmah, Hampton Inds., Burton Warrants, Town & City and Barker and Dobson. Puts were dealt in Sandhurst Marketing and Ladbroke and doubles were completed included Premier Oil, Jacksons Bourne End, Cons. Gold Fields, Ladbroke Warrants and Britannia Arrow.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]
Totals	226	990	1,234

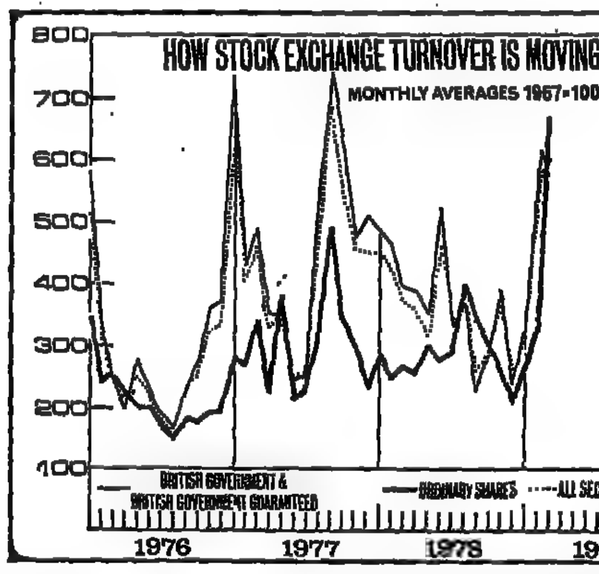
LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	1100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1188p
BP	1150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
BP	1200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Com. Union	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	166p
Com. Union	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Cons. Gold	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	220p
Cons. Gold	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Cons. Gold	220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Cons. Gold	240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Courtaulds	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	105p
Courtaulds	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Courtaulds	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Courtaulds	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	407p
GEC	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Grand Met.	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	160p
Grand Met.	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Grand Met.	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ICI	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	397p
ICI	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ICI	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Land Secs.	280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	280p
Land Secs.	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Marks & Sp.	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	112p
Marks & Sp.	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Marks & Sp.	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Marks & Sp.	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Shell	700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	760p
Shell	750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Shell	800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Totals			429		406		126	
		May		August		November		
BOC Intl.	70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	70p
Boots	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	225p
Boots	220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Boots	240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
EMI	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	122p
EMI	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
EMI	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ImperialGp.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	98p
ImperialGp.	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ImperialGp.	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
RTZ	280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	300p
RTZ	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Totals			232		74		61	

STOCK EXCHANGE BUSINESS LAST MONTH

Turnover in equities an all-time record

BY GEOFFREY FOSTER



STRONG HOPES of a Conservative victory in the General Election encouraged heavy institutional and public buying of equities last month and pushed turnover in ordinary shares to a record high.

Turnover in equities more than doubled, jumping by a remarkable £1.9bn to an all-time monthly peak of £3.74bn and easily surpassing the previous record of £2.75bn in September 1977. Reflecting the increased trade, dealings rose by 316,982, over 90 per cent, to 661,448 and the average value per bargain was £298 higher at £5,654. The FT turnover index for Ordinary shares jumped in March to a record 667.3 from 399.2 in February and compares with the 1978 monthly average of 285.7.

Equity prices last month advanced strongly with institutions providing the main driving force and stock shortage gave added impetus to the rise. Prices soared ahead of, and immediately after the Government's defeat in the Commons no-confidence motion on March 28 which forced Mr. Callaghan to declare a General Election for May 3.

Thereafter, increasing hopes that a Conservative government would be returned to office helped the FT Industrial Ordinary share index to breach its all-time high on its first calculation after the Government's defeat before closing the day at 540.8, or 8.4 points below its record closing peak. The index ended the month 49 points, or 10.2 per cent, up at 530.8, almost 85 points up from it 1979 low of 446.1 which was recorded just over six weeks earlier.

In contrast to equities, trading in gilt-edged declined by £0.93bn to £13.6bn. A fall of £0.9bn in longer and medium dated securities to £5.8bn was the main feature, turnover in short-dated stocks decreasing by £0.06bn to £7.7bn. The number of gilt-edged bargains fell by 4,295 to 85,362, with a 3,803 contraction, to 31,799, taking place in short-dated issues.

Gilt-edged prices made further good progress throughout March for much the same reasons as equities, but other major influences behind the increased values included persistent strength of sterling and hopes that interest rates were set to fall.

After rising 4.33 points in February, the FT Government Securities index closed the month a further 4.68 points, or 6.6 per cent, higher at 75.28: this is 10.64 points above last February's two-year low of 64.64.

Following February's remarkable jump of £8.6bn, business in all securities improved £0.8bn more to £19.6bn, the highest total since September 1977 peak of £22.4bn and the third highest on record. The number of bargains for all securities jumped by 327,998 to 813,823, while the turnover index for all securities improved to 601.2 from 575.2 the previous month; the 1978 monthly average was 354.3.

Gold share prices declined last month with sentiment adversely affected by a sharp fall in the investment currency premium on fears that a Conservative Government might relax or even abolish exchange controls, and by a reaction in the price of gold bullion. The FT Gold Mines index closed the month 21.9 points, or 12.4 per cent, down at 154.9, while the price of gold bullion fell $13.00 from February's close of $251.625.

Category	Value of all purchases and sales £m	% of total	Number of bargains	% of total	Average value per day £m	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	7,789.2	39.7	31,799	3.9	354.0	244,952	1,445
Others	5,797.6	29.6	53,563	6.6	263.5	108,239	2,435
Irish Government:							
Short dated (having five years or less to run)	807.9	4.1	1,999	0.2	36.7	404,163	91
Others	674.6	3.4	3,977	0.5	30.7	169,617	181
UK local authority	491.0	2.5	7,373	0.9	22.3	66,590	335
Overseas Govt., provincial and municipal	55.0	0.3	2,177	0.3	2.5	25,289	99
Fixed interest stock, pref. and preferred ordinary shares	263.6	1.3	51,487	6.3	12.0	5,120	2,340
Ordinary shares	3,739.5	19.1	661,448	81.3	170.0	5,654	30,066
TOTAL	19,618.5	100.0	813,823	100.0	*891.7	*26,097	*36,992

* Average of all securities.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
95	F.P.	—	194	150	Appl. Computer	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	F.P.	30/3	174	88	Caledonian Hldgs.	171	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	16/3	170	118	Hunting Assoc. Defd.	165	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	9/3	42	31	M.Y. Dart Defd.	39	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
95	F.P.	20/4	122	97	Sedgwick F.New 10p	117	+2	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Chepstow Race's 3½ Cnv. Uns. Ln. 1993	[illegible]	
99¾	[illegible]	[illegible]	[illegible]	[illegible]	Cleveland (County of) Var. Rate 1984	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Eng. Assoc. Sterling Fd. Part. Red. Prf.	[illegible]	
£100	[illegible]	[illegible]	[illegible]	[illegible]	ICFC 12½% Uns. Ln 1992	[illegible]	
96	[illegible]	[illegible]	[illegible]	[illegible]	Lee Valley Water 8% Red. Prf. 1986	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lyles (S.) 11% Cum. Pref.	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	MEPC 6½% Conv. Uns. Ln. 1995-2000	[illegible]	
72½	[illegible]	[illegible]	[illegible]	[illegible]	Mid Southern Water 8% Red. Pref 1984	[illegible]	
98	[illegible]	[illegible]	[illegible]	[illegible]	Trianwile 10½% Prof.	[illegible]	

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
115	F.P.	[illegible]	[illegible]	[illegible]	Brammer (H.)	160	[illegible]
60	F.P.	[illegible]	[illegible]	[illegible]	Burco Dean	[illegible]	[illegible]
88	F.P.	[illegible]	[illegible]	[illegible]	Cement-Roadstone	103	[illegible]
230	F.P.	[illegible]	[illegible]	[illegible]	Halcomera Estates	[illegible]	[illegible]
33	F.P.	[illegible]	[illegible]	[illegible]	Hirst & Mallinson	[illegible]	[illegible]
185	F.P.	[illegible]	[illegible]	[illegible]	Johnson Matthey	[illegible]	[illegible]
67	F.P.	[illegible]	[illegible]	[illegible]	Macpherson (D.)	101	[illegible]
44	Nil	[illegible]	[illegible]	[illegible]	Park Place Invs.	[illegible]	[illegible]
225	F.P.	[illegible]	[illegible]	[illegible]	Rank Org.	[illegible]	[illegible]
69	F.P.	[illegible]	[illegible]	[illegible]	Redman Heenan	77	[illegible]
27	F.P.	[illegible]	[illegible]	[illegible]	Sekers Intl.	[illegible]	[illegible]
32	Nil	[illegible]	[illegible]	[illegible]	Williams (W.)	32pm	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues., April 3, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Mon., Apr. 2 Index No.	Fri., Mar. 30 Index No.	Thurs., Mar. 29 Index No.	Wed., Mar. 28 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (172)	267.65	−1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (27)	250.14	−1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	407.84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (14)	649.02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (12)	394.83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (75)	201.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	173.94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 CONSUMER GOODS (DURABLE) (53)	241.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio, TV (16)	327.83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (12)	170.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (25)	125.19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GOODS (NON-DURABLE) (170)	249.91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	277.36	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	342.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	340.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (19)	226.12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	289.76	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	455.29	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	163.94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (40)	247.16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (23)	189.31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	272.21	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	93.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (99)	233.17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (18)	310.97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 Pharmaceutical Products (7)	276.11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	147.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping (10)	434.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (58)	258.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (494)	255.02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (6)	669.04	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	288.73	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (115)	202.78	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	243.29	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	256.12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	164.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	144.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	141.74	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	335.27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	93.41	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (43)	341.19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (10)	114.44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (111)	235.23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	129.55	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (20)	372.19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	264.62	−0.7	[illegible]	4.97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Tues., April 3	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years	107.94	−0.20	—	2.22
2 5-15 years	123.73	−0.57	—	1.98
3 Over 15 years	128.93	−0.59	—	3.17
4 Irredeemables	140.64	−0.98	—	1.76
5 All stocks	119.15	−0.45	—	2.41

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

		Tues. April 3	Mon. Apr. 2	Year ago (approx.)
1 Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]
4 Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]
10 Irredeemables		[illegible]	[illegible]	[illegible]

	Tues., April 3 Index No.	Yield %	Mon. April 2	Fri. Mar. 30	Thurs. Mar. 29	Wed. Mar. 28	Tues. Mar. 27	Fri. Mar. 23	Thurs. Mar. 22	Year ago (approx.)
15 20-yr. Red. Deb & Loans (15)	59.14	12.56	58.93	58.84	58.44	57.71	56.94	56.62	56.69	[illegible]
16 Investment Trust Prefs. (15)	51.64	13.56	51.64	51.64	51.64	51.12	51.03	51.00	50.60	[illegible]
17 Coml. and Indl. Prefs. (20)	72.73	12.95	72.74	72.14	72.00	71.47	71.40	71.51	71.31	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Inc. Tst.	109.3	115.1	.....	3.06
Abbey Capital	39.7	42.2	-0.2	4.05
Abbey Income	46.3	49.3	-0.3	6.22
Abbey Inv. Tst. Fd.	39.5	42.0	-0.1	4.58
Abbey Gen. Tst.	54.0	57.4	-0.2	4.06
Equitas Prog. Tst.	73.2	77.2	-0.5	4.37

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt & Pref.	95.0	100.0	.....	12.50

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	77.7	83.1	-0.8	5.01
Brit. Inds. Fund	76.5	81.9	.....	4.88
Grth. & Inc.	43.2	46.2	-0.3	4.76
Elect. & Ind. Dev.	41.5	44.4	-0.3	4.19
Allied Capital	81.0	86.7xd	-0.6	4.18
Hambro Fund	126.1	134.9	-0.8	4.63
Hambro Acc. Fd.	145.1	155.3	-0.9	4.22
Income Funds				
High Yield Fd.	80.5	86.1xd	-0.4	7.55
High Income	74.1	79.3xd	-0.4	6.71
A. H. Eq. Inc.	44.1	47.2	-0.2	6.50
International Funds				
International	25.9	27.7	-0.3	2.90
Pacific Fund	39.3	42.1	-0.9	2.11
Secs. Of America	54.8	58.6	-0.7	1.96
Specialist Funds				
Smaller Co.'s Fd.	47.2	50.5	-0.2	3.76
2nd Smlr. Co's Fd.	57.8	61.9xd	-0.1	4.04
Recovery Sits.	113.1	121.0	-0.8	4.55
Met. Min. & C'dty.	48.3	51.7	-0.3	4.43
Overseas Earnings	67.0	71.7	-0.4	4.04
Exempt Funds				

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	51.1	54.6	-0.2	3.98
Do. Accum.	67.4	72.0	-0.2	3.98

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital March 29	114.7	117.0	.....	4.27
Gross Income Mar. 29	84.8	87.5	.....	8.23
High Yield March 29	96.4	98.9xd	.....	8.00

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	106.6	113.3	-1.2	2.70
Do. Acc.	130.7	139.0	-1.5	2.70
G.T. Inc. Fd. Un.	180.3	191.8	-0.4	8.30
G.T. U.S. & Gen.	126.6	134.6	-1.2	3.10
G.T. Japan & Gen.	83.5	88.1xd	-1.3	2.10
G.T. Pens. Ex. Fd.	207.1	217.4	+5.5	2.90
G.T. Int'l. Fund	151.3	160.9	.....	1.70
G.T. Four Yds. Fd.	61.7	65.6	+7.5	7.80
G.T. Far East & Gen.	44.8	48.1	+0.3	2.10

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	39.1	41.8	-0.2	4.40

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP. 01-283 3531
Dealing only: 01-623 5766/5806

American Tst.	24.4	26.2	-0.3	0.57
British Tst. (Acc.)	66.0	71.0	-0.3	3.46
Commodity Share	177.3	190.6	-0.7	3.50
Extra Income Tst.	27.6	29.7	-0.1	7.63
Far East Trust	33.9	36.4xd	-0.3	0.28
High Income Tst.	66.6	71.6	-0.1	8.42
Income Fund	85.5	91.9	-0.5	6.23
Ins. Agencies	15.53	16.47	-0.10	3.80
Intl. Exempt Fd.	99.4	108.0xd	-0.3	6.18

[illegible]

INSURANCE AND PROPERTY BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$305.14	.....	2.50
Jardine J'pn. Fd.*	HK$390.81	.....	0.90
Jardine S.E.A.	$US17.15	.....	2.10
Jardine Flem. Int.	HK$12.40	.....	—
Intl. Pac. Secs. (Inc.)	HK$13.33	.....	—
Do. (Accum.)	HK$13.52	.....	—

NAV March 14. *Equivalent US$80.41
Next sub. day March 30

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. C1 0534 73741

CMF Ltd. March 29	US$13.75	14.10	...	2.90
CMT Ltd. March 29	£14.01	14.37	...	2.60
Metals Tst. March 15	£14.90	15.27	...	5.46
TASST March 8	$US10.54	10.87	...	1.08
T.M.T. Ltd. Mar. 8	£10.93	11.21	...	2.97

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth. Fd.	US$16.91	-0.09	—

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	103.0	103.9	..	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

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Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
23	22	Antofagasta Rly...	22	......	—	—
40	39	Do. 5pc Pref......	40	......	—	—
98	98	Chilean Mixed......	98	......	—	£3.10

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 24⅝% (based on US$2.0640 per £)
Conversion factor 0.8029 (0.7918)

CANADIANS

S.E. List Premium 24⅝% (based on 2.3904 per £)

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MISCELLANEOUS

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
$13¾	$10½	Buffels R1	$13¼	−¼	Q190c	ϕ	16.5
$11⅞	890c	East Drie R1	$10⅞	−⅛	Q115c	1.6	12.1
470c	350c	East Rand Prp. R1	465c	......	Q10c	—	2.6
$24¼	$18¾	F.S. Geduld 50c	$23	+⅛	Q315c	2.4	15.7
$14⅜	$11⅛	Pres. Brand 50c	$13⅞	−⅛	Q150c	3.2	12.4
$14¼	$10¾	St. Helena R1	$12⅞xd	−⅜	Q190c	1.4	17.0
595c	407c	Stilfontein 50c	550c	−20	Q66c	ϕ	13.8
$24¼	$18¼	Vaal Reefs 50c	$23¼	−¼	Q280c	2.7	13.8
$35¼	$28¾	West Drie R1	$33	−½	†Q385c	1.7	13.4
$29½	$22¼	$29½	$28⅜	+⅛	Q415c	1.4	16.8
$15	$10½	Western Deep R2	$11¼	−¼	Q147½c	2.1	14.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ *Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.*
- ¥ Excluding a final dividend declaration.
- ✣ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F *Dividend and yield based on prospectus or other official estimates for 1979-80.* G Assumed dividend and yield after pending scrip and/or rights issue. H *Dividend and yield based on prospectus or* other official estimates for 1978-79. K Figures based on prospectus *or other official estimates for 1978.* M *Dividend and yield based on* prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 30

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	27½	......
Ash Spinning	107	......
Bertam	26	......
Bdg'wtr. Est. 50p	372	+12
Clover Croft	28	......
Craig & Rose £1	970	......
Dyson (R. A.) A	35	......
Ellis & McHdy	68	......
Evered	27	......
Fife Forge	54	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	165	......
Higsons Brew.	83	......
Holt (Jos) 25p	269	......
I.O.M. Stm. £1	172xc	......
Pearce (C. H.)	203	......
Peel Mills	29	......
Sheff. Refrshmt	78	......
Sindall (Wm.)	120	......

IRISH

Conv. 9% '80/82	£91⅝	......
Alliance Gas	110	......
Arnott	380	......
Carroll (P.J.)	111	......
Clondalkin	90	−5
Concrete Prods.	93	......
Helton (Hldgs.)	61	+1
Ins. Corp.	220	......
Irish Ropes	105	......
Jacob	36	......
T.M.G.	245	−15
Unidare	85	......

OPTIONS
3-month Call Rates

Industrials

A. Brew	7	I.C.I.	20	Unilever	55
BOC Intl.	6	"Imps"	9	U.D.T.	4
B.S.R.	8	I.C.L.	40	Utd. Drapery	10
Babcock	14	Inveresk	7	Vickers	17
Barclays Bank	32	KCA	4	Woolworths	6½
Beecham	52	Ladbroke	18		
Blue Circle	18	Legal & Gen.	14	**Property**	
Boots	18	Lex Service	9	Brit. Land	5
Bowaters	18	Lloyds Bank	25	Cap. Counties	7
B.A.T.	28	"Lofs"	5	E.P.	3½
Brown (J.)	50	London Brick	7	Intreuropean	5
Burton 'A'	22	Lonrho	9	Land Secs.	20
Cadburys	5	Lucas Inds.	25	MEPC	15
Courtaulds	10	"Mams"	18	Peachey	13
Debenhams	8	Mrks. & Spncr	9	Samuel Props.	14
Distillers	21	Midland Bank	30	Town & City	2
Dunlop	6½	N.E.I.	14		
Eagle Star	10	Nat. West. Bank	28	**Oils**	
E.M.I.	14	Do. Warrants	15	Brit. Petroleum	70
Gen. Accident	21	P & O Dfd.	8	*Burmah Oil*	11
Gen. Electric	32	*Plessey*	10	Charterhall	3½
Glaxo	50	R.H.M.	5	Shell	48
Grand Met.	12	Rank Org.	25	Ultramar	24
G.U.S. 'A'	30	Reed Intnl.	16		
Guardian	24	Spillers	5½	**Mines**	
G.K.N.	24	Tesco	6	Charter Cons.	16
Hawker Sidd	22	Thorn	22	Cons. Gold	17
House of Fraser	15	Trust Houses	27	Rio T. Zinc	27
		Tube Invest.	30		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Wednesday April 4 1979

Japan's shipbuilding share falls

BY IAN HARGREAVES

JAPAN'S future as the world's leading shipbuilding nation could be in doubt because of the growth of shipbuilding in the developing world and protectionist tendencies in the West.

This is the view advanced in the annual report of Lloyd's Register of Shipping, whose chairman, Mr. Robert Huskisson, yesterday described the present condition of the shipbuilding industry as "disastrous."

Although he deeply regretted the trend towards State ownership of shipyards and Government interference in the shipping industry, it would be very difficult to reverse the process.

Figures published in the ship classification society's report show that Japan's share of new ship orders last year fell below 50 per cent for the first time since 1975.

Countries outside Japan and West Europe increased their share from 20.7 to 30.8 per cent. Poland was the second most successful shipbuilding country with a 6.3 per cent share followed by Sweden (5.2), the U.S. (5), South Korea (3.7) and Brazil (3.7).

The report's review of shipbuilding points out that 70 per cent of the ships on order at the end of last year were due for delivery during 1979, making shipyard closures inevitable.

"The shipbuilding industry has now passed the stage when it could survive largely in the hands of private enterprise and must take the only course available to it, that of being supported by subsidy and finally of passing to government control," says the review.

This meant that the tendency for governments to insist on shipowners' building tonnage in domestic yards was "inevitable," a change which could alter the structure of the entire industry.

The report suggests that the emerging EEC shipping aid shipbuilding policy might set the pace in this protected trading bloc concept, especially as the accession of Greece to the Community would give the EEC 27 per cent of the world fleet against the 19 per cent of the Nine.

The development of such a bloc would stimulate the emergence of other groupings, bringing into question the role of Japan as the world's largest ship exporter.

The world fleet continued to expand last year, as a result of orders placed before the slump, reaching 406m gross registered tons.

Over 7m grt of ships were scrapped last year, but the review dismisses this as negligible compared with remaining overcapacity in the fleet.

A higher level of scrapping is regarded as unlikely because of a shortage of breaking facilities and lack of demand for scrap.

Mr. Huskisson declined to comment on UK Government policies for shipbuilding and shipping, but he said that a Conservative government would probably be unable to counter the global trends outlined in the report.

Two major issues await an incoming Government: British Shipbuilders' corporate plan and the desire of a number of major UK liner shipping companies to see the debt moratorium scheme granted last year to small bulk-ship companies extended to larger, more diverse companies.

The Government has told several owners that it would be prepared to consider such an extension in return for shipowners' agreeing to place orders for new ships in British yards at attractive financial terms.

SHARE OF WORLD SHIPBUILDING ORDERS (%)

	Japan	West Europe	Others
1976	56.01	23.69	20. 3
1977	52.13	27.16	20.71
1978	43.25	25.95	30. 8

Source: Lloyd's Register of Shipping.

Tories promise tough attitude on farm policy

BY CHRISTOPHER PARKES

A CONSERVATIVE Government would be as demanding as, the present administration, if not tougher, inits negotiations on the Common Agricultural Policy, Mr. John Peyton, Tory spokesman on agriculture, made plain in London yesterday.

While he would aim to be "better mannered" and "more friendly" than Mr. John Silkin, the present Agriculture Minister, Mr. Peyton's basic policy objectives follow closely in Labour's footsteps.

Launching the Conservative's agricultural policy, Mr. Peyton said he would aim to continue with the price freeze campaign launched by the Commission this year and pursued so vigorously by Mr. Silkin.

But he wanted to go further by cutting intervention buying prices for key commodities below market prices.

High support prices encouraged farmers to sell to official intervention agencies rather than to consumers, he said. Intervention had become in too many cases the "natural" market whereas it should be used only as a market of last resort.

Mr. Peyton also flatly rejected the proposals for a tax on milk production put forward by the EEC Commission as part of this year's farm price review.

"It is unacceptable that the remedies should hit those who are not really the source of the problems," Mr. Peyton said. In Germany farmers now produced 40 per cent more milk than the country needed.

He also warned that British agriculture had to be protected from dumping and over-production elsewhere in the Community. "We should not be the tip for other people's surpluses," he said.

Britain was one of continental Europe's best food buying customers and it was unwise for traders to treat such customers in such a way.

Devaluation

Mr. Peyton was equally outspoken on fishing policy, again adhering closely to the Government's line. He called for a strict conservation policy, preservation of the present 12-mile national limit, and recognition of the massive contribution Britain made to Community fish stocks.

For the UK farming industry he offered progressively higher prices taking them towards full "common" levels.

"If British farmers are to have any chance of holding their own, let alone expanding, the "green pound" should be devalued at least to a point which would enable them to compete on level terms with producers on the Continent," he said. The process should be phased over five years.

Pressed on the possible starting date for changes Mr. Peyton commented: "To make any specific and firm promises now would be idiotic." He did appear to concede, however, that the "green pound" should be devalued by more than the 5 per cent agreed by the EEC Council of Ministers last week for implementation on April 9.

The "green pound" is the artificial exchange rate in which EEC farm prices are translated from units of account to sterling. When the impending 5 per cent devaluation is instituted next week, the "green pound" will still be worth about 18 per cent more than sterling.

This will hold UK farm prices some 20 per cent below "common" levels calculated on the basis of sterling.

Mr. John Peyton, following in Labour's footsteps

Airlines announce fare rises up to 7%

BY BRIJ KHINDARIS IN GENEVA

AIR PASSENGER fares and cargo rates will be raised between 5 and 7 per cent from May 1 under an agreement reached yesterday by the scheduled airline members of the International Air Transport Association.

The 7 per cent increase will apply in most parts of the world, but a rise of 5 per cent will apply in certain areas subject to approval by the governments concerned, the association's statement said.

The increases are designed to counteract the rise in oil prices of at least 9 per cent decided in Geneva last month by the Organisation of Petroleum Exporting Countries (OPEC).

Yesterday's agreement was reached at a five-day conference attended by 120 delegates from 65 airlines. Pan American was the only large international airline absent. Pan American, which allowed its membership of the association to lapse on March 31, is reported to be separately applying a 4 per cent average increase comprising a 2 per cent increase on first class fares and about 8 per cent on the lowest fares.

The new association rates will also apply on all passenger tickets and cargo deals on advance sales made on or after April 9 for flights after May 1.

The 7 per cent increase will apply to North Atlantic flights, and most mid-Atlantic and European flights. South Atlantic fares will rise generally by 5 per cent, as will rates within the Middle East, Africa and Asia.

The higher rates will be applied by almost all the airlines which took part in the conference. Swissair, has however, already said it can apply an increase of only about 5 per cent.

According to the Association's estimates, aviation fuel should cost an average of 65 U.S. cents per U.S. gallon between April this year and March next year, compared with an actual price of about 44 cents a gallon in December last year. The estimates place aviation fuel prices at 68.5 cents after March, 1980, if there are no further OPEC price increases by that time.

Officials of the Association said airlines had begun to feel the impact of rising oil prices last September. By the end of January this year airlines' traffic tariffs were well behind the rise in costs which are estimated to have totalled $2bn since last September.

Up to next May 1 the airlines will have written off spending of $400m.

U.S. airlines were said to have argued for the lowest increases while some Europeans wanted increases higher than 7 per cent. Greece and Israel wanted increases of more than 10 per cent.

The airlines are expected to obtain government approval for the fare increases, particularly because most airlines are government-owned and losses have to be met by taxpayers.

THE LEX COLUMN

An exit by the caretaker

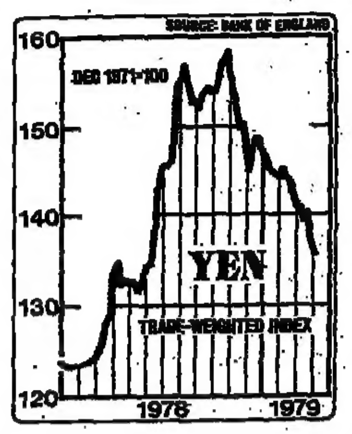
Mr. Denis Healey went out in low key with his caretaker Finance Bill, and the markets are left to speculate on the ways in which it was "very different" from the Budget he had planned a week ago. The immediate attention had been concentrated on Minimum Lending Rate, but the Chancellor made no move here, though in theory a cut could still come at lunchtime tomorrow.

His hints on the money supply were moderately encouraging: if the rate of growth of sterling M3 is indeed to be in the middle of the target range for the full year to mid-April, and close to the top of the range for the second half of that period, a seasonally adjusted April value of around £51.5bn is indicated. This would imply growth of only about 1 per cent taking the March and April banking months together.

Big gilt-edged sales have come to the rescue, but the projections also imply that the authorities see some slowdown in the growth of bank lending—something that could make a cut in MLR a little more likely. The banking corset and the 8-12 per cent M3 target growth range are being rolled forward provisionally unchanged into 1979-80, leaving it for the new Chancellor to decide on any adjustments in the light of his Budget framework.

There is no hint of the Treasury's latest projections of the borrowing requirement on unchanged policies, though the earnings forecast has now come much closer to reality at 13 per cent. This will boost revenue projections as well as costs, but the new Chancellor will have to cope in the late summer and autumn with stored up commitments like backdated Rooker-Wise adjustments, comparability awards and pension rises.

Index fell 6.9 to 525.3



Bank of Scotland

Bank of Scotland's pre-tax profits for 1978-79 are 18 per cent higher at £34.2m. Compared with Clydesdale Bank, where profits for calendar 1978 were just 5 per cent up (leaving aside a £6m exceptional release of bad debt provisions) this performance looks reasonable.

Against the English clearing banks, however, Bank of Scotland's profit growth does not look too impressive. It had the benefit of two extra months of high interest rates (its average base rate was 29 per cent), a "major reduction" in bad debt provisions and growth of 18 per cent in sterling bank advances. Yet its operating profits are only 14 per cent higher.

One of the reasons for the relatively poor performance was that a one-fifth rise in operating costs was roughly double the rate of inflation. Profit sharing schemes and productivity payments nearly doubled the basic salary increases. In addition Bank of Scotland's growing international business (foreign currency loans account for 27 per cent of the total) was hit by low margins. Despite a 21 per cent increase in "currency operations," international profits (just under a fifth of the clearing bank total) fell slightly last year.

Following the new accounting rules Bank of Scotland appears to be adopting a more conservative stance than most. It is only releasing 40 per cent of its deferred tax liability on leasing and its net loan write-offs of £6m are higher than those of Lloyds Bank — roughly seven times its size. Moreover its general provision against banking advances of 1 per cent includes no attribution of tax relief. If used it would be doubled effectively. At 347p the shares yield 5.2 per cent.

Japanese bonds

The flow of funds back into the dollar has plunged the fixed interest markets of last year's strong currencies into disarray, most spectacularly in Switzerland, and now in Japan. The upward pressure on Japanese interest rates and the discomfort of foreign holders of Japanese assets have been increased by the vulnerability of the yen to higher oil prices.

Timing differences in import/export settlement make the Tokyo foreign exchange market a volatile place at the best of times. But now it seems that the leads and lags built up in favour of the yen last year are being reversed, and not even $1.6bn of official support in the last two days has prevented a further sharp deterioration in the exchange rate. The Bank of Japan may be happy to run down its reserves a little—money supply growth has already begun to slow in response — but this rate of spending is high even by Japanese standards.

The domestic bond market is concerned about the enormous borrowing requirement of the Government, which will probably exceed Y15,000bn ($70bn) in the 1979/80 fiscal year, for the first time in five years of heavy deficit financing the trend of interest rates is firmly upward. Institutional liquidity is very high, with the cash flow of the insurance companies alone coming to around Y20,000bn a year, but long government bond yields have climbed to 7.9 per cent and buyers are still reluctant. The tremors have been felt in the fledgling Samurai bond market, where new issues are moving to substantial discounts and borrowers are deterred by the high coupons now being demanded.

Alexander Howden

Shareholders of insurance brokers Alexander Howden looking for a detailed explanation in the annual report of the tumble in taxable profits from £20.4m to £17.7m will be disappointed. Specific financial information relating to the group's expenses—a key factor in last year's poor performance—is missing.

With initial contribution from Southeastern Aviation Underwriters, group broking and company agencies turnover is shown to be increased from nearly £37m to £44.8m. But the trading level profits from broking and company agencies have slumped from £19.6m to £15.6m implying a dramatic rise in costs.

The rise in expenses is only partly explained by a 22 per cent rise in the wage bill to £13.1m. An important reason must have been the expense of Howden's move to smart new offices in Billiter Street.

For shareholders who stumped up £25.4m in rights issue money last May—to help sustain growth, Howden said at the time—the suddenness of the setback must be puzzling. Meanwhile Howden is saying in the latest accounts that the rights cash will give the group "flexibility and the ability to take advantage of special situations."

Pay offer to civil servants is 'final'

BY PHILIP BASSETT.

THE GOVERNMENT made it clear yesterday that its pay offer to 600,000 white-collar civil servants of 9 per cent plus further staged rises was "final."

Lord Peart, the Lord Privy Seal, said: "I believe that what we have offered is a very fair and reasonable offer and when the rank and file recognises that then they will realise that to go on strike when we have offered so much is really ludicrous."

The offer gives immediate increases of 9 per cent, with half the rises due from the Pay Research Unit comparability studies to be paid in August and the rest on March 31 next year. The unions estimate the full PRU reports to show that the medium rises due are from 26 to 36 per cent.

The unions have been pressing for the first stage in August to be replaced with an 8 per cent payment to help the lower paid, but Lord Peart said firmly yesterday that there was "no question of improving the offer to give more to the lower paid."

The Government's chances of reaching a quick settlement to the dispute before the General Election were reduced yesterday as the Institution of Professional Civil Servants and the Inland Revenue Staff Federation both made it clear they wanted the offer improved and the two unions which have already formally rejected the offer, the Civil and Public Services Association and the Society of Civil and Public Servants, stepped up their campaign of selective strikes.

The Government had high hopes that the IPCS and the IRSF, both moderate unions, would lead the way of acceptance of the offer. The Civil Service Union and the Prison Officers' Association are likely to decide today to follow their line.

Mr. Bill McCall, general secretary of the IPCS, said the union's executive had decided the offer was a basis for negotiations

Mr. Tony Christopher, general secretary of the IRSF, said his union had not rejected the offer but was looking for further improvements for the lower paid. It could well look more kindly on the offer if the first stage payment was changed to 8 per cent.

Scottish poll boost for Labour

BY RAY PERMAN, SCOTTISH CORRESPONDENT

LABOUR ENTERS the General Election campaign with its electoral prospects in Scotland greatly improved since the devolution referendum.

Last month's three-point lead over the Conservatives north of the border has swelled to 16 points, according to an opinion poll published in the Glasgow Herald this morning.

After maintaining a lead in Scotland for the past 18 months, Labour is now in a position to hold its 39 seats, retake the two lost by the defection of MPs to the breakaway Scottish Labour Party, and perhaps make a handful of gains from the Tories and the Scottish National Party.

The poll figures are: Labour, 45 per cent (last month 40); Conservatives, 29 per cent (37); SNP, 19 per cent (18); Liberals, 6 per cent (4); Scottish Labour, 2 per cent (1).

The figures will surprise Labour leaders in Scotland, who had expected the Government's embarrassment after the devolution referendum and its defeat in the vote of confidence to damage the party.

It appears that pro-devolutionists who felt cheated because a Scottish Assembly has not been set up have turned to Labour rather than to the Nationalists, who have been trying to make political capital from it.

However, all the minority parties have benefited slightly from the Tory discomfiture.

Labour intends t omaintain devolution as a commitment in its manifesto, and Mr. James Callaghan will stress this when he opens his election tour at a rally in Glasgow on Monday evening.

If Labour can maintain this lead through the campaign, it could win marginal seats such as Aberdeen South, where the Conservative majority is a few hundred, and East Dunbartonshire, where the SNP majority is only 22.

The Conservatives, however, can still expect to make some gains from the Nationalists, possibly two or three seats.

Print union loses blacking appeal

BY ALAN PIKE, LABOUR CORRESPONDENT

THE National Graphical Association had "no right to use industrial strength to invade the freedom of the Press." Lord Denning, Master of the Rolls, said in a Court of Appeal judgment against the union yesterday.

He and two other judges unanimously dismissed an NGA appeal against a temporary High Court order that it must lift a nationwide blacking campaign against organisations which advertise in the Nottingham Evening Post.

The NGA and SLADE, the process workers' union—named as a co-defendant by some plaintiffs to the action—are involved in what they claim is a recognition dispute with T. Bailey Forman, publishers of the Evening Post, over computer-typesetting.

The order was granted on March 23 to six national newspaper groups, provincial newspaper managements and organisations, including Boots and Trust Houses Forte which had their advertisements blacked.

Lord Denning—who pointed out that the Appeal Court's views were provisional as the action was at an interim stage—described the NGA as a very powerful trade union which ran a closed shop in the greater part of the printing industry.

It had ordered its members to black advertisements from 16 major concerns. Workers had no option but to obey such instructions — if they did not they faced expulsion and possibly the permanent loss of livelihood.

Lord Denning said it was a fundamental principle that the Press should be free. "It shall be at liberty to express views and give news and opinion to the public at large without interference by anyone inside or outside the organisations."

Unions had no right to interfere with the freedom of editors to comment on matters of public interest, the duty of a local authority to recruit staff, and the freedom of commercial groups to advertise their wares.

Continued from Page 1

Britain to repay $5bn

as announced in early February, the reserves are to be revalued each March to reflect up-to-date values for gold and non-dollar assets.

The initial impact of revaluing from historic levels is to add about $4½bn, up to $21.95bn.

The Whitehall view is that the reserves are high enough to cope with debt repayment and with any withdrawal of the funds attracted into the UK over the last couple of months.

The basic aim has been to ensure some net repayment of debt year by year, coupled with new borrowin gto lengthen the average maturity of debt.

In 1978 the UK repaid $4.6bn and raised $1.8bn in new borrowings.

By the end of this year the net reduction in debt could be larger, since borrowings with $800m so far arranged may not match repayments of up to $5.2bn.

Early repayments of debt both last year and this could reduce the amount due the hump of 1979-84 from the $19.5bn outstanding in September 1977 to not much more than $11bn to $12bn.

Repayment of a further $1bn to the IMF follows two large prepayments last year, and means that the UK has now repaid the equivalent of all its 1976 stand-by drawings.

At one stage the UK had drawn $5.1bn from the fund, but this has been reduced to about $2.3bn. The terms of the standby credit lapsed last January.

Continued from Page 1

BNOC buy Mesa oil interests

reduce overwhelming dependence on foreign oil companies.

Its first purchase in the North Sea, three years ago, was 41 per cent of the Thistle field, in which BNOC now has a 19 per cent interest and is the operator. This year Deminex joined BNOC to buy out a group of Canadian companies in block 3/7a for $22.5m.

BNOC has pursued the relationship with Deminex as part of the Government's aim of strengthening ties between the UK and West Germany.

Beatrice is one of the smaller North Sea fields, with recoverable reserves of about 160m barrels. It is the closest discovery so far to the UK coast, lying about 12 miles of Scotland in the Moray Firth. Production should begin in 1981.

As part of the Beatrice deal, BNOC has bought Mesa's other UK interests, which amount to 25 per cent interests in blocks 21/15a and 22/16a and 30 per cent interests in blocks 28/4a and 21/29b. These acquisitions will also be shared with Deminex.

Weather

UK TODAY

SHOWERS, some wintry.

London, E. Cen., NW England

Inland frost and fog clearing. Showers, heavy and wintry in places, sunny intervals. Max. 7-9C (45-48F).

Channel Isles, SW England, Wales

Wintry showers, heavy in places, sunny intervals. Max. 9C (48F).

W. Scotland, N. Ireland, Isle of Man

Wintry showers, sunny intervals. Max. 8C (46F).

NE England, E. Scotland, Cent. Highlands, Orkney, Shetlands

Occasional rain or sleet, snow on hills. Max. 5C (41F).

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	15	59	Locarno	R	8	46
Algiers	S	18	64	London	C	6	43
Amsdm.	R	3	37	Luxmbg.	C	1	34
Bahrain	S	27	81	Madrid	C	12	54
Barcina.	F	18	64	Majorca	S	18	64
Belfast	C	7	45	Malaga	F	17	63
Belgrd.	C	14	57	M'chstr	F	5	41
Berlin	R	9	48	Melbne.	R	16	61
Biarritz	R	9	48	Milan	C	13	55
Bmghm.	F	5	41	Mntreal.	C	6	43
Blackpl.	S	5	41	Moscow	C	3	37
Bordx.	C	9	48	Munich	C	7	45
Bristol	C	6	43	Nairobi	R	23	74
Brussels	C	4	39	Naples	S	14	57
Budpst.	F	14	57	Nwcstl.	H	7	45
B. Aires	S	15	59	N. York	R	13	54
Cairo	S	39	102	Nice	S	17	63
Cas'b'ca	S	17	63	Nicosia	S	22	72
Cape T.	S	22	72	Oporto	C	13	55
Chicago	S	4	39	Oslo	Sn	4	39
Cologne	C	7	45	Paris	C	7	45
Cpnhgn.	R	3	37	Perth	C	20	68
Dublin	Sl	3	37	Prague	F	11	52
Dbrvnk.	F	16	61	Reyklvk.	S	3	37
Ednbgh.	R	3	37	Rio J'o	S	29	84
Faro	C	16	61	Rome	S	15	59
Florence	C	13	55	Salzbrg.	C	8	46
Frankft.	F	7	45	Singapr.	S	32	89
Funchal	C	17	63	Stckhm.	C	3	37
Geneva	F	9	48	Strasbg.	R	7	45
Gibrltr.	C	16	61	Sydney	C	27	81
Glasgow	R	6	43	Tangier	F	16	61
G'nsey	Sl	3	37	Tehran	S	21	70
Helsinki	C	3	37	Tel Aviv	S	25	77
H. Kong	R	15	59	Tenerife	S	15	59
Innsbrk.	C	9	48	Tokyo	C	16	60
Invrnss.	C	5	41	Toronto	S	5	41
I.o.Man	F	6	43	Tunis	F	18	64
Istanbul	F	18	64	Valencia	S	18	64
Jersey	Sl	3	37	Venice	S	13	55
Jo'burg	S	26	79	Vienna	S	13	55
L. Plms.	S	18	64	Warsaw	F	12	54
Lisbon	F	14	57	Zurich	C	6	43

C—Cloudy. F—Fair. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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